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Japan

Business Leaders Concerned Over Strong Yen

OW2008123293 Tokyo KYODO in English 1147 GMT 20 Aug 93

[Text] Fujiyoshida, Yamanashi Pref., Aug. 20 KYODO—A sense of crisis over the surging yen was evident among many of Japan's top businessmen during a two-day seminar in central Japan, which ended Friday [20 August].

Almost all manufacturers face grave problems because of the yen's rapid advance against the dollar, said Takeshi Nagano, president of the Japan Federation of Employers' Associations (Nikkeiren), sponsor of the top management seminar. Nagano suggested management may demand wage cuts in next year's spring labor offensive.

The grim outlook for the economy was shared by top union officials who attended the seminar.

Etsuya Washio, vice president of the Japanese Trade Union Confederation (Rengo), said the economy at best could only maintain its current level. Washio said it is impossible for the economy to grow continuously as in the past.

His remarks are taken to signal the union movement has changed its wage policy from seeking increases as a first priority.

Nikkeiren Vice President Ken Moroi said the economy will only ebb unless major deregulation goes ahead. The economy has worsened so much it is almost impossible to sustain the current level of employment, said Akira Miki, another Nikkeiren vice president.

Dollar Sharply Higher After 'Nervous' Trading

OW2008082093 Tokyo KYODO in English 0740 GMT 20 Aug 93

[Text] Tokyo, Aug. 20 KYODO—The U.S. dollar ended the week in Tokyo sharply higher from Thursday's [19 August] close ballooned by overnight intervention by the U.S. Federal Reserve Board to cap the collapse of its currency. But dealers said dollar bears were dominant in the market during the nervous trading day led by exporters trying to cover their short positions by taking advantage of the windfall created by the Fed's surprise intervention.

The dollar closed at 104.45 yen, jumping 2.47 yen from Thursday's close at 101.98 yen, after opening at 104.80 yen.

The U.S. currency ended at 105.80-90 yen in New York and 103.70- 80 yen in London both on Thursday.

The dollar was boosted almost 5 percent in New York overnight as U.S. Treasury Undersecretary Lawrence Summers ambushed the market with words and the Fed with deeds.

"The day began with strong dollar selling in Tokyo," said Shigeto Iimura, customer chief of Asahi Bank, and exporters continued to take on the dollar's rebound.

Market watchers said exporters pressured the dollar down to the lower 104 yen level but the Bank of Japan apparently rushed into the market to push it back up to almost 105 yen. "My phone was ringing all day long with sell orders even though the volume of trading was not that big," Iimura said.

Many dealers speculated the dollar's strong rebound was temporary and were skeptical that the currency will continue to rise. They said the trading environment has not changed much, since the Japanese trade surplus continues to soar and the Japanese Government has yet to take persuasive measures to tackle the problem.

Iimura said one checkpoint would be the 104.00 line, the level to which the Fed apparently intervened the last time to jack up the currency.

Dealers said the U.S. could have felt some caution considering the heated stock and bond fever in the country pushing down interest rates.

They say the dollar would have collapsed if it was left alone, which would be bad for the U.S. economy and would have driven Japan's Prime Minister Morihiro Hosokawa into a corner shortly after his inauguration.

"Maybe the U.S. decided to give Hosokawa some time and a chance" to show his willingness to tackle economic structural problems, Iimura said.

The dollar changed hands between 104.43 yen and 105.15 yen during the day, and it was most actively traded at 104.45 yen. The range on Thursday was 101.10 yen and 102.30 yen.

Spot trading came to 10,629 million dollars and swap transactions 9,916 million dollars. The figures were 8,466 million dollars and 11,276 million dollars, respectively, the day before.

U.S. Congressmen Hold News Conference 21 Aug

OW2108082893 Tokyo KYODO in English 0713 GMT 21 Aug 93

[Text] Tokyo, Aug. 21 KYODO—A delegation of eight U.S. Congressmen offered high praise Saturday [21 August] for the new Japanese coalition government headed by Prime Minister Morihiro Hosokawa. "All of us were very impressed with what the new government officials were telling us here in Tokyo," Florida Republican Clay Shaw said in a news conference at the U.S.

Embassy. "Now we're looking for them to move forward and deliver on their promises and their statements to us," he said.

Shaw's optimism was echoed by other members of the bipartisan delegation from the House of Representatives ways and means committee, who met Friday with Hosokawa and other coalition figures.

California Republican William Thomas said he was impressed by the "rapidity of the Hosokawa government providing in both word and deed a new image of Japan to the world."

"You have a charismatic new leader who has already made bold and unusual statements for the leader of Japan," Thomas said. "In my opinion, by the time January comes Prime Minister Hosokawa will have knocked innumerable balls out of the park in terms of strong and bold statements and action."

Thomas said he sensed "a new optimism here in Japan among the government officials as a young dynamic leader comes on to the scene here much like we have in the United States."

New York Democrat Michael McNulty said, "If the prime minister and the members of this new government are allowed to follow their natural instincts, which I think are good, then I think we are in for some positive change. But talk is cheap, we're looking for substantive action," he added.

Florida Democrat Sam Gibbons, chairman of the committee's trade subcommittee, said the delegation recognizes the strong role played by the bureaucracy, which many analysts have said could impede change. "We hope that this elected government will get on top of the bureaucracy and will exercise control," he said.

Terming the massive bilateral trade imbalance in Japan's favor "simply unacceptable," he said, "we hope that the new government in Japan, a government-oriented more toward to the consumer, toward deregulation and opening of the Japanese market, will have a profound effect."

The legislators arrived in Japan on Thursday for a three-day stay, following visits to Vietnam, China and Hong Kong.

McNulty on 'Outrageous' Deficit

OW2108061293 Tokyo KYODO in English 0513 GMT 21 Aug 93

[Text] Tokyo, aug. 21 KYODO—Japanese business leaders who met a U.S. congressional delegation in Tokyo were unaware or ill-informed of the extent of displeasure in the United States over trade problems with Japan, U.S. Congressman Michael McNulty said Saturday [21 August].

"These people don't get it," McNulty said in a news conference with other members of a bipartisan delegation from the U.S. House of Representatives Subcommittee on Trade. "They better get it very soon or there's going to be action in the United States," the second-term Democrat from New York said.

McNulty said that in a "very long discussion" Friday with business leaders from the Federation of Economic Organizations (Keidanren), his delegation "tried to get the message across that we need some substantive action soon in order to prevent restrictive trade legislation from passing in the U.S. Congress."

But despite such efforts, he said, "we still had members of the business community responding 'maybe in a year, maybe in two years.' One even said at the end of the meeting 'one or two years is not enough, we need more time.'"

"They do not understand the domestic political situation" in the U.S., McNulty said. "I think it is very important that everyone understands what is happening in the U.S. generally and in the U.S. Congress in particular, with regard to our feelings about this outrageous and unacceptable trade deficit," he said.

Economic Framework Deadline Viewed

OW2108034993 Tokyo KYODO in English 0325 GMT 21 Aug 93

[Text] Tokyo, Aug. 21 KYODO—A U.S. legislator heading a congressional trade delegation to Japan said Saturday [21 August] that the new framework agreement for bilateral economic relations should be in place by January. "What we expect is that the framework agreement will be fully and completely negotiated and in place by January 20, 1994," said Rep. Sam Gibbons, chairman of the House Ways and Means Subcommittee on Trade.

Gibbons was speaking alongside seven other legislators in a news conference at the U.S. Embassy.

In July, U.S. President Bill Clinton and then Prime Minister Kiichi Miyazawa agreed to establish a U.S.-Japan framework for a new economic partnership which would serve as a new mechanism of consultations for bilateral economic ties. But the agreement only called for a successful end to negotiations on measures in a number of specific trade areas "at the first heads of government meeting in 1994 or within six months of this agreement."

It said agreements on measures in the remaining areas are expected to be announced "at the second heads of government meeting in July 1994."

But Gibbons stressed that measures on all areas should be agreed on by January 20, saying, "this is not the time for more endless negotiations."

"These are not new issues," he said. "There is no reason why people of good will cannot put this agreement in final form by January 20, 1994."

The July agreement called for negotiations to be concluded by January on measures regarding significant market access problems in government procurement, insurance, auto trade "and other high priority areas to be determined."

Gibbons said the framework agreement included some "very vague words" that were inserted at the insistence of Japan. He said Congress "has attached its own meaning to those words."

For example, the agreement calls for Japan to strive for a "significant decrease in its current account surplus." Gibbons said his bipartisan committee interprets that to mean that Japan should reduce the surplus from 3 to 4 percent of its gross domestic product (GDP) to 1 to 2 percent.

On Japan's pledge in the agreement to promote a "significant increase in global imports of goods and services," he said Congress expects a 33 percent increase in Japan's imports of foreign manufactures over a period of a few years.

Gibbons said Japanese officials must realize that without "concrete, quantifiable results" on such indicators as foreign market share and value of trade, "no one will be able to stave off the wave of Japan-targeted legislation that has been percolating for years in Washington."

Asked to elaborate on what he meant by having the framework fully in place by January 20, Gibbons said it should be "ready to go operational by that time."

The Democrat from Florida said he also meant that negotiations on specific "baskets" should all be completed by that point. The five "baskets" are government procurement, regulatory reform and competitiveness, autos and other major business sectors, economic harmonization, and implementation of existing arrangements and measures.

"We are not entering into this agreement to just talk, and talk, and talk, and talk, and talk, and then finally do nothing," Gibbons said.

But he said he was not issuing "an ultimatum" and had no desire "to threaten Japan or anyone with any kind of specific retaliation. I believe that the best way we can get affirmative results is to look reasonable to the Japanese and to look as if we're willing to sit down and work things out," he said.

Rep. William Thomas, the subcommittee's ranking Republican, said efforts must be made to ensure that the final framework document incorporates "firm binding language" regarding quantitative measurements to determine progress on specific fronts.

Japan has not wanted to commit itself to the use of benchmarks such as the foreign market share figure in the 1991 bilateral semiconductor agreement.

Possible U.S. Action on Supercomputer Issue Noted

OW2108054293 Tokyo KYODO in English 0515 GMT 21 Aug 93

[Text] Tokyo, Aug. 21 KYODO—The United States will take action against Japan if its special review of a 1990 agreement between the two countries concludes that Tokyo does not abide by it, a senior U.S. Government official said Saturday [21 August]. "If the review concludes that Japan is not in compliance with the 1990 supercomputer agreement, the United States will take action under section 301 (of the U.S. Trade Law)," the official told reporters.

Section 301 is a provision that allows the U.S. to conduct an investigation to determine whether it will initiate sanctions.

Under the 1990 agreement, Japan pledged to open its government market to American and other foreign-built supercomputers, but Washington says the Japanese Government continues to favor Japanese supercomputer manufacturers and has a bidding system that can potentially discriminate against U.S. manufacturers.

"We expect to see signs that the Japanese Government procurement process is being carried out in an open, fair and nondiscriminatory manner as prescribed under the supercomputer agreement," said the official, who asked not to be identified.

The U.S. official said it is essential to implement the agreement, saying its implementation will be talked about in sectoral talks to be held as part of the framework agreement reached last month between U.S. President Bill Clinton and then Japanese Prime Minister Kiichi Miyazawa.

"If the Japanese Government market for supercomputers is fully opened, it will probably result in about one hundred million dollars a year in sales for U.S. companies," he said. The official said the estimate is based on the U.S. share in the European supercomputer market, in which U.S. manufacturers are estimated to have an 85 percent share in the public sector and an 87 percent share in the private sector.

"We don't have a market share figure for our expectations," the official said. "But we certainly would expect that the market share in Europe would logically be one way to measure what should be happening in Japan."

Okinawa Urges Recapture of U.S. Soldier

OW1608060393 Tokyo KYODO in English 0544 GMT 16 Aug 93

[Text] Naha, Aug. 16 KYODO—The Okinawa Prefectural Assembly urged the U.S. authorities Monday [16 August] to quickly recapture a U.S. Army soldier who absconded while under investigation for allegedly kidnapping and raping a 19-year-old local woman at the Kadena Air Base in Okinawa on May 29.

Sgt. Tony Young, 25, disappeared from his base in Okinawa on July 17 and returned to the United States. He had been under orders not to leave the base without an escort while the investigation continued.

The assembly adopted a protest Monday that said, "we urge the American authorities to ensure the swift capture of the absconded soldier and we press for the enforcement of official discipline by the military."

Young, a tanker truck inspector in the 505th Quartermaster Battalion, is believed to have taken a flight on a commercial airline from Naha to Los Angeles. The U.S. military authorities, which notified the FBI, said he had handed in his passport but forged a document granting leave.

An agreement between Japan and the United States stipulates that criminal suspects belonging to the U.S. military be detained until a written indictment is prepared. Last year, however, two U.S. sailors suspected of robbery and assault fled overseas from their bases in Okinawa.

Minoru Uechi, a lawyer who is leader of a joint panel dealing with matters concerning U.S. bases in Okinawa, said, "the Japan-U.S. Status-of-Forces Agreement is founded on our trust of the U.S. military authorities. However, if they are unable to ensure the detention of suspects, then the task should be entrusted to Japanese investigators."

'Difficulties' in Raising Defense Aid to U.S.

OW2408151093 Tokyo KYODO in English 1443 GMT 24 Aug 93

[Text] Tokyo, Aug. 24 KYODO—The United States has asked Japan to shoulder more of the financial burden of stationing U.S. military forces in Japan, a senior Defense Agency official said Tuesday [24 August]. The official made the revelation in referring to the visit by U.S. Air Force Lt. Gen. Richard E. Hawley, commander of U.S. Forces in Japan, to the agency in early July.

The official, who spoke on condition of anonymity, said Hawley had asked Japan to study an increase in the maintenance, administration and equipment repairing and other military facilities costs of U.S. forces in Japan.

Defense Agency officials noted difficulties for Japan to give an affirmative answer to the request, the official said.

Hawley did not provide concrete details on what additional costs Japan might cover for the military facilities, the official said.

Japan's fiscal 1993 defense budget starting in April 1993 includes about 360 billion yen toward the cost of maintaining U.S. forces stationed in Japan. Of the 360 billion yen, at least 80 billion yen goes toward the payroll of Japanese workers at U.S. bases or about 50 percent of total costs for such workers.

Japan will shoulder the total cost of the Japanese workers in the fiscal 1995 defense budget starting in April 1995.

The 1952 status of forces agreement between Washington and Tokyo stipulates that the United States must bear the costs of facility management and allowances for Japanese base workers.

Official Assesses Russian Patrols Near Spratlys

OW2408132693 Tokyo KYODO in English 1038 GMT 24 Aug 93

[Text] Tokyo, Aug. 24 KYODO—The recent expansion of antipirate patrols in the South China Sea by Russian cruisers is aimed at demonstrating its presence near the disputed Spratly Islands, the chief of staff of the Maritime Self-Defense Force (MSDF) said Tuesday [24 August]. "(Cruiser patrols) are probably meant to show Russia's presence in the South China Sea, where a conflict is possible," Adm. Chiaki Hayashizaki said at a press conference.

The Spratlys, known as Nansha in China and Truonga in Vietnam, are believed to be rich in oil and natural gas reserves. The islands have long been claimed in whole or part by China, Vietnam, the Philippines, Malaysia, Brunei and Taiwan.

Hayashizaki alleged that Russia uses the prevention of piracy incidents as a pretext to build up its naval forces in the area.

"It was quite some time ago that Russian ships were chased or searched (by pirates) in the East China Sea," he said. "I think they probably plan to maintain bigger vessels at (the naval base) at Cam Ranh Bay in Vietnam."

Commenting on Russian naval vessels' recent docking at Chinese ports, the chief of staff said he believes the visits served not only to build friendly relations as officially announced but were also linked to sales and trading of weapons between the two countries.

The Petropavlovsk, a Kara-class guided missile cruiser, passed through the Tsushima Straits between the Korean peninsula and Japan's Kyushu Island on August 18.

The day before, Radio Moscow reported the cruiser was being dispatched to the East China Sea to protect Russian vessels from pirate attacks. The 9,000-ton cruiser is reported to have sailed into the South China Sea via the East China Sea.

Japanese, Russian Officials Plan To Meet

OW2408061193 Tokyo KYODO in English 0548 GMT 24 Aug 93

[Text] Tokyo, Aug. 24 KYODO—Japan and Russia will hold vice ministerial talks on Friday and Saturday in Tokyo to prepare for President Boris Yeltsin's scheduled visit to Japan in October, Foreign Ministry officials said Tuesday. Japanese Vice Foreign Minister Hiroshi Fukuda and his Russian counterpart Georgiy Kunadze will discuss such issues as territorial disputes and security in the Asia-Pacific region, they said.

Bilateral relations suffered another setback last week when Russian Prime Minister Viktor Chernomyrdin said that no territorial dispute exists between the two countries. The Soviet Army seized four islands in the Pacific Ocean east of Hokkaido, Japan's northernmost main island, at the end of World War II. Dispute over sovereignty of the islands known as the northern territories in Japan has plagued relations and blocked Japan's full-fledged financial support to Russia. Yeltsin canceled a planned trip to Tokyo last September due to the islands' issue. He also called off another trip in May.

Army Dumped Poison Gas Bombs in Inland Sea in 1945

OW1308140893 Tokyo KYODO in English 1327 GMT 13 Aug 93

[Text] Kitakyushu, Fukuoka Pref., Aug. 13 KYODO—The Japanese Imperial Army dumped tens of thousands of poison gas bombs into the Inland Sea soon after World War II, two former workers of the factory that made the bombs said Friday [13 August]. The factory produced poison gas bombs in huge amounts, which were recovered from depots in Yamaguchi Prefecture directly after the war and thrown into the western part [Suo Nada] of the Inland Sea [Setonaikai], the two men told KYODO NEWS SERVICE in an interview.

Toru Kakumu, 74, was an inspector in Kitakyushu at the Sone Bomb Factory, which was a branch of the arms factory run by the army. Kakumu's colleague Misao Yamaguchi, 82, was in charge of bomb production itself.

They said they have decided to break their 48-year-long silence for fear that poisonous gas leaking from the corroding bombs could have a major impact on the maritime environment and harm people.

They are the first eyewitnesses to provide concrete evidence on the case, providing information ranging from production of the poison gas bombs to the final disposal of them into the sea.

Fishermen have long alleged that poison gas bombs were dumped off the Inland Sea coast of Yamaguchi Prefecture, but the prefectural government soon discontinued an investigation in 1972 citing lack of evidence, although mustard gas bombs were found on the seafloor.

"The testimony by the two men is very valuable," said Yoshiaki Yoshimi, professor of Japanese contemporary history at Chuo University in Tokyo.

"Although the Sone factory played an important role in the former Imperial Army's poison gas production, we still don't know much about the actual situation there," Yoshimi said.

The Sone factory filled bombs with several kinds of poison gas such as lewisite, prussic acid gas, and yperite mustard gas produced at the Tadanoumi Factory in Takehara, Hiroshima Prefecture, Kakumu and Yamaguchi said. They said the bombs were packed into wooden cases and stored in pits at the abandoned Omine coal mine, Yamaguchi Prefecture, where they remained until after Japan's surrender in August 1945.

The bombs were dumped into the sea over a six-week period from mid-November 1945, they said.

Under supervision of the U.S. Army, factory workers loaded the bombs on U.S. Army trucks, which transported them to the former national railway's Omine Station. It is not yet clear to what extent the U.S. was involved in the dumping.

Reloaded onto freight trains the fatal cargo was transported to Ube Port, where boats took the bomb cases. The boats were joined by a crane ship off the coast, which unloaded the poison cargo.

The bombs were dumped into the sea in their wooden cases some 18 kilometers southeast of Ube at a depth of about 30 meters, the men said. Fishermen from Yamaguchi, Fukuoka and Oita Prefectures still fish in the area with dragnets.

Kakumu and Yamaguchi said they did not know the exact number of poison gas bombs were thrown into the sea. The two said they had kept silent about the poison gas issue to save Japan's honor. But since there are fears that the yperite, which does not easily dissolve in water, could harm the environment and people, they decided to go public with their knowledge.

Mustard gas and similar poisonous gases used in chemical weapons cause the skin to blister, eat away at mucous membranes in the nose and eyes, and cause pulmonary edema or fluid to build up if inhaled.

The Sone plant was the largest of its kind in wartime Japan, employing some 1,000 people at the height of production. From its establishment in 1937 until the end of the war, an estimated 1.1 million poison gas bombs for artillery and mortars were made there.

Poison gas bombs are believed to have also been dumped off Shizuoka Prefecture's southern coast and into Beppu Bay, Oita Prefecture.

The government and the prefectural authorities nevertheless maintain that everything should be left "to the sea water's ability to clean itself." Scientists are divided over whether there is such a natural cleansing effect.

The Defense Agency sees no need to recover the bombs as long as it does not receive relevant requests from prefectures concerned, agency officials said.

But Keiichi Tsuneishi, professor of history of science at Kanagawa University, advocates a detailed survey on the locations and the scope of the dumping as well as recovery of the bombs.

"The poison gas is as dangerous as ever, and since the bombs were dumped in shallow waters they can't be left alone," he said.

Cabinet Ministers Visit WWII Yasukuni Shrine

OW1508043993 Tokyo KYODO in English 0431 GMT 15 Aug 93

[Text] Tokyo, Aug. 15 KYODO—Four key cabinet ministers in the new coalition government of Prime Minister Morihiro Hosokawa visited Yasukuni shrine in Tokyo on Sunday [15 August], the 48th anniversary of Japan's surrender in World War II.

Visits by government ministers to the shrine, which is dedicated to Japan's war dead, have in the past drawn criticism from Asian countries which were subjected to Japanese aggression during the war.

The four were Finance Minister Hirohisa Fujii, Trade Minister Hiroshi Kumagai, Defense Agency Chief Keisuke Nakanishi and Farm Minister Eijiro Hata.

All belong to Shinseito (Japan Renewal Party), which was formed by defectors from the Liberal Democratic Party and is headed by Foreign Minister and Deputy Prime Minister Tsutomu Hata.

Hata paid homage to the war dead at the shrine Saturday evening. He apparently avoided going there on the anniversary of the end of the war due to his position as foreign minister. He earlier indicated that he would visit the shrine "as a private citizen" August 15.

Last year as many as 15 members of the cabinet of then Prime Minister Kiichi Miyazawa paid visits to the shrine August 15.

But Miyazawa did not go to the shrine last year. No prime minister has visited the shrine since 1985, when then Prime Minister Yasuhiro Nakasone became the first postwar premier to go there in his official capacity.

More Comments on Hosokawa's War Remarks Noted

OW1908104093 Tokyo KYODO in English 1011 GMT 19 Aug 93

[Text] Tokyo, Aug. 19 KYODO—Senior Liberal Democratic Party (LDP) member Shizuka Kamei on Thursday [19 August] lashed out at Prime Minister Morihiro Hosokawa for his recent remarks that Japan's war behavior before and during World War II constituted acts of aggression against other countries.

At a meeting of members of the LDP's chapter in Tokushima Prefecture, Kamei, the party's national organization committee chairman, said "Japan should reflect on its wartime conduct if it deserves remorse but it is a blasphemy against history to define Japan's war acts as aggression with all the responsibility for the war falling upon Japan."

After the meeting LDP President Yohei Kono told reporters it was a matter of great regret that young lives were lost in the war because of the misconduct of the nation's leaders. Kono said, "The fact remains that Japan inflicted enormous damage on people in foreign countries and it is naturally necessary for Japan to apologize to those people."

In his first press conference earlier this month, Hosokawa said that Japan's war behavior constituted aggression and was wrong, though he stated this as a personal opinion and not in his capacity as premier.

Meanwhile, on the issue of electoral reform for the House of Representatives, Kono said he favors a double ballot voting method in a combined system of first-past-the-post and proportional representation.

The LDP president said that discussion of the electoral reform process in the powerful lower chamber will center on the double ballot method. It was the first time that Kono has made a clear reference to the voting system.

The seven-party coalition is also bent on a combined system, in which lower chamber members are elected through single-seat constituencies and proportional representation separately.

Kono also said that 300 seats should be allocated for single-seat districts, and 171 for proportional representation, reducing the current 511 seats to 471. Coalition parties are still haggling over the redistribution of seats under such a system.

On the yen's current upsurge against the dollar, Kono criticized the Hosokawa cabinet for its slow handling of the situation, saying "I am worried about whether the government can implement effective and timely measures to deal with the yen's appreciation." "It is unclear whether the government will accept the 100 yen level and what steps it will take to handle the situation," Kono said.

Spokesman Takemura Says No War Settlement Fund

OW1908101793 Tokyo KYODO in English 0915 GMT 19 Aug 93

[Text] Tokyo, Aug. 19 KYODO—The cabinet of Prime Minister Morihiro Hosokawa has no intention of setting up a 1 trillion yen fund for postwar settlements for

Asians victimized by Japan during World War II, the top government spokesman said Thursday [19 August]. Chief Cabinet Secretary Masayoshi Takemura told a press conference that during informal talks with cabinet ministers he denied reports of a plan to establish such a fund.

Takemura reiterated the former Liberal Democratic Party (LDP) government's view that it has settled issues involving war compensation, based on the San Francisco Treaty of peace and other bilateral treaties.

The MAINICHI SHIMBUN reported last Saturday that Hosokawa is considering creating the fund as a means of giving tangible form to Japan's remorse and that the coalition government parties have already started unofficial consultations on the plan.

Hosokawa said at his first press conference last week that the Pacific war was "a war of aggression" waged by Japan.

House of Representatives Speaker Takako Doi has also said that Tokyo has not achieved reconciliation with Asian people who suffered so severely because of Japan's "mistakes."

Takemura also told reporters the new government is not considering any other specific measures for postwar settlement. But in reference to the LDP government's apology to women forcibly recruited to provide sex for Japanese soldiers during the war, Takemura said the new government's task is to consider how to substantiate Japan's feelings of remorse.

Two Toyota Auto Servicing Plants Open in SRV

OW1808045893 Tokyo KYODO in English 0448 GMT 18 Aug 93

[Text] Nagoya, Aug. 18 KYODO—Toyota Motor Corp. said Wednesday [18 August] two servicing plants for Toyota vehicles have opened in Vietnam to improve after-sale service in the country.

The Japanese automaker said the plants in Hanoi and Ho Chi Minh City are run by Vietnamese enterprises and are aimed at improving repair service for Toyota vehicles in Vietnam, where demand for automobiles is expanding. Toyota sold about 3,400 vehicles in Vietnam in 1992.

Toyota and Toyota Tsusho Corp., the trading arm of the Toyota business group, will offer technical aid to the plants, company officials said.

SRV Boat People Intercepted Near Fukue Island

OW1608013193 Tokyo KYODO in English 0030 GMT 16 Aug 93

[Text] Fukuoka, Aug. 16 KYODO—Police are questioning a group of 32 Vietnamese-speaking people who were found Sunday [15 August] night aboard a small wooden boat off Fukue island in Nagasaki Prefecture, police said Monday [16 August].

Fukue residents reported the boat, which is about 12 meters long, to police on Sunday night. Aboard were the 32 people, including two children.

Those aboard told police that they left Vietnam for Japan on July 15 and were forced to stop at Shanghai due to a typhoon, police officials said.

Rumors of Refugee Cash Handouts

OW2208060693 Tokyo KYODO in English 0540 GMT 22 Aug 93

[Text] Fukuoka, Aug. 22 KYODO—An increasing number of Vietnamese are trying to make their way to Japan after hearing rumors that the Japanese authorities pay refugees large sums of cash to go back, immigration officials said Sunday [22 August]. The rush is thought to have been prompted by rumors circulating in the northern Vietnamese port of Haiphong, some 80 kilometers East of Hanoi, that refugees get 2,000 dollars as an incentive to leave.

Another rumor is that they get the right of permanent residence in Japan. In an attempt to curb the wave of refugees, Japan's ambassador to Vietnam Hiroyuki Yukawa has denied the rumors in an appearance on domestic television.

Refugees are usually given a small allowance amounting to several tens of dollars before they return to their home country.

Officials detained a total of 413 Vietnamese for illegal entry after they were discovered in 13 boats in Japanese coastal waters this year, most of them during the last two months. This compares with only one boat carrying 17 Vietnamese among the boat people intercepted last year, the officials said.

The Omura Refugee Center in Nagasaki Prefecture, designed to accommodate about 200 refugees until they are deported, is setting up prefabricated houses to cope with the influx. The number of boat people peaked five years ago at 2,800, and had been falling. But the number of Vietnamese has risen sharply since June.

All except one boat tried to put the refugees ashore between June 4 and August 19, mostly at one of the numerous islands in Okinawa and Kagoshima Prefectures. The other one was in February off Iriomote Island, Okinawa Prefecture.

Burmese Delegates: Suu Kyi Unlikely To Be Freed

OW1808111393 Tokyo KYODO in English 1033 GMT 18 Aug 93

[Text] Tokyo, Aug. 18 KYODO—Myanmar [Burma] wants more Japanese investment, but is unlikely to free opposition leader Aung San Suu Kyi, members of a

Myanmar investment promotion delegation indicated Wednesday [18 August]. The four-member delegation, on the final stop of a three-month world tour which included the United States, Austria, Germany, Australia and Britain, said Suu Kyi is free to leave if she returns to the home of her husband in Oxford, England.

The members told a Tokyo news conference that around 1 billion dollars in foreign investment has flowed into Myanmar since the country abandoned its centrally planned socialist economy in 1988. But delegation leader Win Pe said the government has no intention of freeing opposition leader Aung San Suu Kyi, the daughter of Gen. Aung San, considered the "father" of the independence movement in Myanmar. He was assassinated in 1947.

Win Pe said Suu Kyi was under house arrest because she had associated with rebels who included "communist elements." As the leader of the National League for Democracy, which won a landslide victory in the 1990 general elections, Suu Kyi has been placed under house arrest since July 20, 1989.

In July, her British husband Michael Aris visited her for the sixth time since limits were put on her freedom. "(But) she is free to go home to Oxford any time she decides," Win Pe said.

"She reads the newspapers daily and she is able to send addresses to various international meetings where they are read out by her husband."

Set Maung, an adviser to the ruling State Law and Order Restoration Council (SLORC), told the news conference Myanmar's transition to a market economy is made easier by its relatively short 26 years under socialist rule, compared with the more than 70 years the former Soviet Union experienced.

He said Japanese companies are involved in joint ventures in Myanmar to develop offshore oil deposits, a major hotel and black pearls. "There is some investment from Japan, but we would like to have more, particularly in view of the close relationship we have," Set Maung said.

The delegation arrived in Japan on August 12 and leaves August 25. Its members will give seminars in Tokyo, Nagoya and Osaka, and meet officials of the Osaka Chamber of Industry and Commerce to explain recent changes in the Myanmar economy, including taxation and investment incentives.

On Wednesday, the delegation met Tatsuo Ozawa, a member of Shinseito (Japan Renewal Party) which is at the core of the new coalition government of Prime Minister Morihiro Hosokawa.

Tokyo To Provide Yen-Based Loan to Philippines

OW1608041793 Tokyo KYODO in English 0340 GMT 16 Aug 93

[Text] Tokyo, Aug. 16 KYODO—The government said Monday [16 August] it has agreed to provide a 47,036 million yen loan to the Philippines for use in seven projects. It said Japan and the Philippines have exchanged documents on the yen-based loan, the 18th in a series.

The loan will be used to finance construction of a bridge between Cebu and Mactan islands, a passenger terminal at Manila airport and other projects, Japanese officials said.

The 30-year loan, with a 10-year grace period, carries an interest rate of 3 percent per annum. It increases Japan's total loans extended to the Philippines to 1,218.5 billion yen, including those rescheduled.

Kaifu Chosen To Accompany Emperor in Europe

OW1808032593 Tokyo KYODO in English 0253 GMT 18 Aug 93

[Text] Tokyo, Aug. 18 KYODO—The Japanese Government has chosen former Prime Minister Toshiki Kaifu as the top official to accompany Emperor Akihito and Empress Michiko on their trip to Italy, Belgium and Germany in September, government sources said Wednesday [18 August]. The sources said the government of Prime Minister Morihito Hosokawa will formally decide on the Kaifu selection at a cabinet meeting on Friday.

The imperial couple will visit the three European countries from September 3 to 19. Kaifu, chairman of the Japan-German parliamentarians' group, was chosen after the coalition government failed to find a suitable person, the sources said.

Deputy Prime Minister and Foreign Minister Tsutomu Hata was mentioned as a contender for the assignment but his tight schedule in the coming weeks left Kaifu as the sole candidate for the job, the sources added.

In the past, former prime ministers or incumbent foreign ministers traveled with the emperor and the empress on their overseas trips. When Emperor Akihito made a historic visit to China last October, then Foreign Minister Michio Watanabe went along.

Emperor Comments on Tour Goals

OW2308130993 Tokyo KYODO in English 1114 GMT 23 Aug 93

[Text] Tokyo, Aug. 23 KYODO—Emperor Akihito and Empress Michiko said Monday [23 August] they hope their impending visit to Japan's two wartime allies Germany and Italy will help as a guide to the future by "reflecting on the past." The imperial couple, who also will visit Belgium, told reporters that they hope to contribute to promoting relations with the three European countries. Their tour lasts from September 3 to 19.

Touching on relations with Italy and Germany, Emperor Akihito said, "I would like to make a contribution to building a better international society by reflecting upon the past along with the two countries which experienced agony during and after World War II and making use of the reflection for the future."

Japan, Germany and Italy were defeated in World War II.

Empress Michiko said, "I am looking forward to seeing many unknown people, as well as getting reunited with acquaintances."

The emperor and empress will leave September 3 for Rome, where they will meet Pope John Paul II and President Oscar Luigi Scalfaro.

In Italy, they plan to visit a museum and tour Florence, Milan and Rome before going to Brussels on September 9 for a weekend in Belgium, meeting King Albert.

The emperor said King Albert issued another invitation to visit following the death of his brother, King Baudouin, early this month. The emperor attended funeral services in Belgium for the late king.

The empress said she expects to see Italian students whom she met at a concert in Shirakawa, Gifu Prefecture, eight years ago.

Moving onto Germany on September 13, the imperial couple will meet president Richard von Weizsacker in Bonn and visit the birthplace of Ludwig van Beethoven before going sightseeing in Dusseldorf, Berlin and Munich. They are due to return home September 19.

Science-Technology Chief Stresses Nuclear Safety

OW1908083093 Tokyo KYODO in English 0804 GMT 19 Aug 93

[Text] Tokyo, Aug. 19 KYODO—Safety issues will dominate the new coalition government's implementation of policy on nuclear power, Science and Technology Agency Director General Satsuki Eda said Thursday [19 August].

In an interview with KYODO NEWS SERVICE, Eda, a founding member of the United Social Democratic Party (Shaminren), acknowledged that while in opposition he had sided with opponents of nuclear power.

Eda said he will continue to listen to the opinions of opponents of nuclear power, but acknowledged that it is still an "important source of energy" for the country. "You cannot ignore nuclear power when it comes to power generation," Eda said. "And you can't ignore plutonium which goes to make nuclear power.

"While I'll listen to what's been happening up till now, I want to ensure that safety is given the number one priority," he said.

Eda identified the most problematic issues the coalition will have to face during its term as the Japan-U.S. Security Treaty, the Self-Defense Forces, South Korea and nuclear power.

"The one with the widest range of opinion is nuclear power...and since the coalition cannot afford to come apart in midstream, I think the prime minister instructed me, as the one who used to rally the opposition round the flag, to put things in order," Eda said. "While safety is of the utmost importance in energy, it's a matter of maintaining the status quo on the supply side," he added.

Asked his opinion on the future of the coalition, Eda suggested it is unlikely to proceed with an early dissolution of the Diet.

"One way to go is to disband quickly once the election system is reformed and create a new Diet," he said. "But drawing up the budget is a part of political reform."

"And once it has been drawn up, it has to go through the Diet and then there are the first steps toward putting it into effect," Eda said. "I don't think you can say there ought to be a dissolution soon after completing political reforms."

Sponsoring of International Conferences Studied

OW1908101893 Tokyo KYODO in English 0956 GMT 19 Aug 93

[Text] Tokyo, Aug. 19 KYODO—The Transport Ministry will introduce a bill to assist local governments in sponsoring international conferences, a ministry official said Thursday [19 August]. Under the bill to be submitted to the next ordinary session of the Diet, the ministry's Japan National Tourist Organization will set up centers in Japan, New York and London to promote international conventions in local cities, the official said.

The bill will contain tax incentives under which corporate donations, such as those for facility construction and for managing conferences, could be claimed as losses in account books, he said.

The Transport Ministry will make a 50 million yen budget request for the proposed convention centers in fiscal 1994. The convention centers will provide information to local governments planning to hold international conferences and will give international organizations tourist information about local cities, the official said.

The Transport Ministry said 1,073 international conferences were held in regional areas in 1991, a fivefold jump from 221 in 1982. The number of such conventions in Tokyo fell to 181 from 268.

The number of international conventions in Japan is only one-fourth that of those held in the United States, reflecting a financial and manpower shortage in Japan, the official said.

Tokyo To Support Retention of Ogata at UNHCR

OW2008040593 Tokyo KYODO in English 0335 GMT 20 Aug 93

[Text] Tokyo, Aug. 20 KYODO—Foreign Minister Tsutomu Hata indicated Friday [20 August] that Japan will support retaining Sadako Ogata as the U.N. High Commissioner for Refugees (UNHCR) after her term expires at the end of December, Foreign Ministry officials said. Officials said Hata, in a 20-minute meeting with Ogata at the Foreign Ministry, expressed his desire to see the Japanese national continue in the job.

The term of office for the UNHCR is usually five years, but Ogata has so far served only three years. She assumed the post two years into the term of her predecessor, who had resigned.

The candidate for the post is designated by the U.N. Secretary General, who is now Butrus Butrus-Ghali, and is subject to a vote of approval by the U.N. General assembly.

Officials said Ogata is known to be willing to continue in the post, though she has yet to be named by Butrus-Ghali. She told Hata that refugee problems remain considerable despite the end of the Cold War, since numerous religious and ethnic conflicts have broken out.

Officials said Hata was briefed on the UNHCR's activities in the former Yugoslavia, Indochina, Africa, and such former Soviet Republics as Armenia, Azerbaijan and Georgia. She told Hata that in tackling the refugee problem, it is important that refugees not only be returned to their countries of origin, but that economic assistance to those countries follow.

Ogata has been in Japan for the last two weeks.

Minister Aims To Help Asian Women With Literacy

OW2008102393 Tokyo KYODO in English 0854 GMT 20 Aug 93

[Text] Tokyo, Aug. 20 KYODO—New Education Minister Ryoko Akamatsu is pushing to have Japan provide financial resources to help more Asian woman become literate, ministry officials said Friday [20 August]. The Education Ministry will seek funding for the program from Finance Ministry in budget allocations for next fiscal year beginning April 1, 1994, the officials said.

Akamatsu, former director general of the Labor Ministry's Women's Bureau, told reporters shortly after being named education minister August 9 it is her dream to contribute to raising literacy rates, mainly of women in developing countries.

The ministry plans to financially assist the Asia-Pacific Cultural Center for UNESCO (ACCU) and nongovernment organizations (NGOs) to teach reading and writing in developing nations, they said.

The Tokyo-based ACCU is an affiliate of the Education Ministry, which has already subsidized the center with 327 million yen in the current fiscal year ending March 31, 1994 and closely associates with the United Nations Educational, Scientific and Cultural Organization (UNESCO).

The ACCU has made English textbooks, brochures, posters, games and audiovisual education aids, which have been translated into 20 languages, center officials said.

Worldwide, about 948 million people, or 26.5 percent of those aged 15 or over are illiterate, according to UNESCO research in 1990. In Asian countries, 700 million are illiterate, of which two-thirds are women.

The high rates among Asian women are believed to stem from people in many regions thinking women do not need education, Education Ministry officials said. It plans to help NGOs train teachers in each region, provide literacy lessons and persuade local men to allow women to learn how to read and write, they said.

Former Minister Yamashita Denies Bribery Charge

OW1708080493 Tokyo KYODO in English 0714 GMT 17 Aug 93

[Text] Saga, Aug. 17 KYODO—Former Health and Welfare Minister Tokuo Yamashita has flatly denied any involvement in trying to bribe voters in the July 18 general election, well-placed sources said Tuesday [17 August]. Yamashita's denial followed the arrests of his wife Kyoko and his chief election campaign manager on suspicion of buying votes.

Yamashita, 73, was questioned by police and local prosecutors in Fukuoka and Saga Prefectures in southern Japan as a matter of course, the sources said.

They believe Yamashita conspired with his wife and his chief election campaign manager to give 100,000 yen in cash to 24 Imari city assembly members to collect votes, the sources said.

Yamashita, who was also chief cabinet secretary under former Prime Minister Toshiki Kaifu, held a meeting at his home on June 22 during which his wife and his chief campaign manager allegedly distributed the money, the sources said. Police have arrested 26 people in connection with the case.

Yamanshita, a member of the House of Representatives, is a senior official of the smallest faction of the Liberal Democratic Party (LDP), led by former State Minister Toshio Komoto. He previously held four state minister portfolios during his tenure in the lower house.

Coalition Parties Split Over Business Donations

OW1708033693 Tokyo KYODO in English 0200 GMT 17 Aug 93

[By Mutsuo Fukushima]

[Text] Tokyo, Aug. 17 KYODO—As bribery scandals involving major construction firms continue to spread, the ruling coalition parties which have pledged to rid politics of corruption are struggling to iron out their differences over political donations from businesses.

Political donations from the business sector have been a key issue for years because of the numerous corruption scandals involving the Liberal Democratic Party (LDP) and are said to have damaged public trust in government.

Imposing a ban on political donations by companies and introducing a subsidy for political parties from the state coffers are being discussed by the seven coalition parties, which ousted the LDP from power for the first time in 38 years.

The parties have agreed to enact a political reform plan by the end of the year, which also includes changes in the electoral system. Prime Minister Morihiro Hosokawa, leader of the Japan New Party (JNP), indicated he would resign if his reform package fails to pass through the Diet. The coalition plans to submit the political reform package next month.

The seven parties are the Social Democratic Party (SDP), Shinseito (Japan Renewal Party), Komeito, JNP, Democratic Socialist Party (DSP), Sakigake (Harbinger), and United Social Democratic Party (USDP).

Under the current political funds control law, donations from a business to political parties and individual politicians must not exceed 100 million yen a year.

The SDP is demanding an immediate ban on political donations by companies which receive subsidies or business orders from the central government and local governments.

Shinseito agrees with prohibiting donations by companies to individuals but wants donations to political parties to be allowed.

Within the JNP and Sakigake, some favor donations by companies to individuals but others support donations to political parties.

Shinseito co-leader Ichiro Ozawa said on August 9, "although corporate donations to an individual politician should be banned, laws should allow business firms to give donations to a political party. If donations to a political party were also banned and only state subsidies were allowed, it would open the way for bureaucrats and administrators to control the parties," Ozawa said.

Political parties and other political groups collected a record 359.1 billion yen in political funds in 1991, up 6.1 percent from the previous year, according to the latest figures from the home affairs ministry. It was the third straight year the figure had risen.

Of the 359.1 billion yen, 20.2 percent was from companies and 13.6 percent was from individuals. But as the huge tax evasion case involving former LDP don Shin Kanemaru suggested, the 359.1 billion yen might only be the tip of the iceberg of actual political donations.

Kanemaru was indicted in March on charges of evading 1.04 billion yen in tax on 1.85 billion yen of undeclared income he allegedly amassed by creaming off donations from leading contractors and other business firms from 1987 to 1989. Prosecutors told a court on July 22 that Kanemaru received more than 1 billion yen every year from major construction companies during that period in undeclared donations without issuing receipts.

Kanemaru admitted last August he had received an undeclared 500 million yen in donations from the Tokyo Sagawa Kyubin trucking firm and resigned as LDP vice president. He paid a 200,000 yen fine after prosecutors filed a summary indictment against him on charges of violating the political funds control law.

The law bars a politician from receiving more than 1.5 million yen from a single individual or corporation in a year and violators face up to 200,000 yen in fines. A huge amount of money was reportedly distributed by the firm among politicians to obtain their favor.

The Political Funds Control Law does not have a provision that would effectively prevent a politician from hiding the identities of business firms whose donations exceed the legal limit on an annual mandatory report to the Home Affairs Ministry, former Supreme Court Chief Justice Masao Okahara said.

Many politicians have falsified their reports by splitting a large donation into smaller amounts to channel them into their numerous political support groups, he said.

The law does not put a limit on the number of political support groups and funds-raising organizations a politician can run.

Okahara also said there is a tax law loophole that has allowed firms to avoid reporting to tax authorities the names of politicians who received their secret donations.

Under the "expenditures unaccounted for" privilege, the firms are not obliged by law to identify such recipients, if they pay a 37.5 percent corporate tax on donations. The tax law privilege has prevented public prosecutors from uncovering the flow of bribes to politicians, he said.

"The current criminal law does not make Kanemaru punishable on bribery charges, as he does not have 'administrative powers' to divert public works projects to certain contractors," Ritsumeikan University Professor Akira Itoda said.

"Broader interpretations should be applied to the meaning of 'administrative powers' in view of the fact that he had the political power to have bureaucrats obey his instructions to favor certain contractors," Itoda, an authority on criminal law, said.

Coalition 'At Odds' Over New Electoral System

OW2108013393 Tokyo KYODO in English 0043 GMT 21 Aug 93

[By Shigeru Hishiyama]

[Text] Tokyo, Aug. 21 KYODO—Reflecting their different visions of Japan's political future, the ruling coalition parties are at odds over details of a new electoral system for the House of Representatives.

There is basic agreement among the seven coalition parties and the opposition Liberal Democratic Party (LDP) on the need to replace the current multi-seat constituency system with a combination of single-seat constituencies and proportional representation. They all argue that sweeping electoral reform is an answer to cleaning up corruption in the political system.

Under the current multi-seat electoral system in which each constituency supports from three to five seats, candidates from the same party are often up against each other in the same constituency. This puts pressure on politicians to secure substantial funds for their election campaigns thereby drawing their attention away from national policy issues.

It is when they get down to the nitty-gritty of the new system that the various parties diverge.

Shinseito (Japan Renewal Party), an LDP breakaway, and Komeito [Clean Government Party] are seeking a ratio of 300 single-seat districts to 200 seats selected by proportional representation, with a single vote cast by each voter.

Under their system, ballots in the single-seat constituency would also be counted as a vote for their candidate's party in determining the proportional representation.

Shinseito and Komeito, the second and the third largest parties in the coalition, respectively, favor this formula because such a voting method would open the way for establishment of a two-party system. The arrangement would be advantageous to major parties capable of fielding many candidates in single-seat constituencies. The aim of the two parties is to establish a strong new conservative political party able to compete with the LDP.

The seven coalition parties engineered the LDP's first ouster from power since the LDP was founded in 1955, installing Prime Minister Morihiro Hosokawa in early August. The LDP currently has 228 seats in the 511-seat lower house while the coalition wields a combined force of 260 seats.

Ichiro Ozawa, co-leader of Shinseito, has said that the coalition parties will not be able to defeat the LDP in elections if they fail to field unity candidates in single-seat constituencies.

Ozawa, a former LDP secretary general, said the introduction of a single-seat system and ensuing two-party system would "bring dynamism to politics" and solve the political issues Japan is now facing.

Secretary General Yuichi Ichikawa of the Buddhist-backed Komeito says his party would even "take down its signboard" to form a new party with other forces.

For their part, the Japan New Party (JNP) and its ally Sakigake (Harbinger), another LDP breakaway, have proposed 250 single-seat districts and 250 seats through proportional representation. The Social Democratic Party (SDP) is backing their proposal.

Under their plan, voters would cast two votes—one for an individual candidate in the voter's single-seat constituency and another for a party in a nationwide poll.

The double-ballot system would give weaker parties a chance of survival through the proportional representation scheme even if their candidates are defeated in single-seat arenas.

Hosokawa said at a press conference on August 10, one day after he took office, that a multiparty coalition would be able to respond to the diversifying values of the people.

Hosokawa, leader of the JNP, suggested at the same news conference that he will resign if his government fails to enact political reform, including electoral reform, by the end of the year. The coalition government plans to submit a package of political reform bills to an extraordinary Diet session next month.

Hosokawa's immediate LDP predecessors, Toshiki Kaifu and Kiichi Miyazawa, were both forced to resign after failing to achieve political reform.

A senior member of Sakigake said his party will aim at formation of a tripolar structure—the LDP, the Shinseito-Komeito alliance and the JNP-Sakigake alliance.

Although the SDP, which saw its strength reduced from 134 to 70 seats in the July 18 election, is the largest partner in the coalition, it is not a pivotal player. Shinseito occupies the key posts in the cabinet.

SDP members fear their party could die out under the Shinseito-Komeito proposal. Chief Cabinet Secretary Masayoshi Takemura, leader of Sakigake, and Home Affairs Minister Kanju Sato from the SDP both say the one vote system may contravene the cOnstitution.

The Democratic Socialist Party (DSP) has proposed a lower house electoral system of 300 single-seat districts and 200 seats filled through proportional representation, with each voter casting two votes.

The DSP stance reflects the fact that accord has yet to be reached within the party on its policy toward political realignment, political analysts said.

LDP President Yohei Kono has said he favors a double-ballot voting method for the lower house, with 300 seats to be filled from single-seat constituencies and 171 seats through proportional representation as the public office election law stipulates that the total number of seats of the lower house be 471.

Komeito Heads Vow To Seek Political Realignment

OW2208112493 Tokyo KYODO in English 0854 GMT 22 Aug 93

[Text] Tokyo, Aug. 22 KYODO—The leaders of the Buddhist-backed Komeito, a force in the seven-party coalition government, vowed Sunday [22 August] to expedite a further realignment of Japanese political parties following the August 6 ouster of the Liberal Democratic Party from power.

"What we will seek to achieve is the formation of the two major political forces between which power can be transferred," Komeito Secretary General Yuichi Ichikawa told a plenary session of party representatives from across Japan at a Tokyo hall.

Ichikawa called on the seven parties and a parliamentary group comprising the coalition to maintain efforts to reconcile their differences in policies and ideologies "in order to maintain and expand the coalition government. It is crucial for the eight partners to act in accordance with the coalition manner of exercising self-control, putting up with what they should endure in each other and respecting each other," he said.

He also said the partners should place priority on defending the unified policy position of the coalition government, rather than asserting the conflicting original positions of each political party. Ichikawa warned that voters may dump the coalition government from power unless it lives up to its election pledge to legislate political and electoral reform bills.

The partners should enact the bills in an upcoming extraordinary session of the Diet by ironing out their differences over the details of proposals to tighten controls over political funding and revamp the electoral system for the House of Representatives, he said. The extraordinary Diet session is slated to convene in September.

Ichikawa said Komeito wants to push for its proposal to introduce a 500-seat lower chamber system combining 300 single-seat constituencies and proportional representation, under which the remaining 200 seats would be allocated in proportion to the number of votes garnered by each political party.

Komeito will also push for a proposal to count a ballot cast by a voter to both select a winning candidate in a single-seat constituency and as a vote for allocating seats to be decided under the proportional representation formula, he said.

Komeito will continue to tentatively approve of political parties and their fund-raising organizations receiving donations from businesses and organizations, but only during a certain grace period before banning these donations in the future, Ichikawa said. He stopped short of elaborating on a timetable for placing a total ban on political donations.

Komeito Chairman Koshiro Ishida stressed that the proposed electoral system combining single-seat constituencies and proportional representation has the power of "expediting a convergence" of political parties in the coalition.

"The realignment of the political community is the path we should not avoid following in order to carry out full-fledged reform of Japanese politics," Ishida said.

Ministry Plans Fund for 'Troubled' Insurers

OW1808083993 Tokyo KYODO in English 0822 GMT 18 Aug 93

[Text] Tokyo, Aug. 18 KYODO—The Ministry of Finance plans to establish a new scheme which guarantees payment of insurance money and aids financially troubled insurance houses, ministry officials said Wednesday [18 August]. The officials said the proposed system is an insurance industry version of the Deposit Insurance Corp. (DIC), created in 1971 to insure deposits at beleaguered financial institutions.

The new scheme will insure some of the insurance claims supposed to be paid by bankrupt life and nonlife insurance houses, while providing funds to insurers in financial crises to help them merge with healthier institutions. The funds needed will be collected from insurers when any of their competitors goes bust, rather than gathered as reserves in advance like the DIC.

One of the ministry's advisory bodies, the Insurance Council, will work out the details of the system, like the upper limit on insured insurance and the extent of the government's financial support for the fund, for its implementation scheduled for fiscal 1995, which begins in April 1995.

Japan has lacked such a system so far because of the relatively sound management of insurance houses under the ministry's surveillance. But as the insurance business has become more global and liberal to invite more competition, the need has emerged for a system which dispels confusion in the industry when management crises occur.

Nagano Urges 5 Trillion Yen Income Tax Cut

OW1908033193 Tokyo KYODO in English 0239 GMT 19 Aug 93

[Text] Fujiyoshida, Yamanashi Pref. Aug. 19 KYODO—A prominent business leader called Thursday for a 5 trillion yen income tax cut next fiscal year as a way to rev up the sluggish national economy. The proposed income tax reduction would be one of the biggest on record.

Takeshi Nagano, president of the Japan Federation of Employers' Associations (Nikkeiren), said a tax cut should be implemented as soon as possible in the context of general tax reform.

"From the medium- and long-term viewpoint, it stands to reason to discuss an income tax cut under the framework of tax reforms aimed at rectifying the ratio of direct taxes to indirect taxes," Nagano told a business seminar here. "But for the time being, what is of serious importance is to implement a 5 trillion yen income tax cut at an early date to improve people's living and prompt consumption," he said.

Nagano acknowledged that the priority of Prime Minister Morihiro Hosokawa's government is political reform, but he warned that Japan faces a serious economic crisis if no action is taken to fight the economic slump and the yen's advance in currency markets. "They could cause a hollowing out of domestic manufacturing, a rise in unemployment and even social unrest," he said.

Turning to domestic politics, Nagano said there are signs that Japan is moving toward a two-party system under conservative rule after the Liberal Democratic Party's [LDP] 38-year rule gave way to a coalition government earlier this month.

Nagano criticized the LDP for not tackling political and economic changes in and outside Japan and blamed the party for the yen's relentless rise.

As for business donations to political parties, Nagano said they should be abolished eventually, calling for "soul-searching" by the business communities over their relations with political parties and the bureaucracy.

Saito Reiterates Opposition to Income Tax Cut

OW2008095093 Tokyo KYODO in English 0933 GMT 20 Aug 93

[Text] Tokyo, Aug. 20 KYODO—Vice Finance Minister Jiro Saito on Friday [20 August] stubbornly reiterated the ministry's opposition to cutting income tax to stimulate domestic demand. "We are not in a situation that we need to take immediate measures other than deregulation and shifting benefits of the stronger yen to consumers," he said.

Saito, speaking at a regular news conference, brushed aside newspaper reports that the coalition parties are seeking to float deficit-financing bonds to cut taxes in exchange for promoting administrative reforms.

"That is not true, and I have not even heard of such a thing," Saito said, referring to the NIHON KEIZAI SHIMBUN report. "What do you mean by 'setting administrative reform as collateral?'"

He said there will be no taboos as to what the cabinet members discuss at their ad hoc meetings on economic conditions, including the possibility of further fiscal and monetary measures.

But in light of the government's tight fiscal situation, and due to skepticism about the effectiveness of an income tax cut to spur demand, Saito said the ministry does not have such plans in mind.

With regard to plans to ease government rules, Saito said the ministry has established a team to study the possibilities. The government may finalize plans within the month for such a plan to be put into practice in mid-September.

Saito said the U.S. dollar's sharp overnight rebound against the yen was due to Japan's "close consultations with other nations on that matter." He said a statement by U.S. Treasury Undersecretary Lawrence Summers warning about the plunge of the dollar is wholly in line with the ministry's position on the issue.

Fijii on 'Evil' of Deficit-Financing Bonds

OW2408020993 Tokyo KYODO in English 0149 GMT 24 Aug 93

[Text] Tokyo, Aug. 24 KYODO—Finance Minister Hirohisa Fujii said Tuesday that floating deficit-financing bonds to cut taxes would be "an evil" for the nation's economy as well as for the welfare of the people. Recent media reports have cited government sources as indicating the possibility of floating such bonds.

Fujii, recalling his days as a finance ministry bureaucrat, said it took more than 15 years for the government to stop depending on such bonds in the past. Deficit-financing bonds were first utilized in fiscal 1975. Ironically, it was possible to stop issuing such bonds partly owing to the "bubble economy," or the era of speculative asset inflation, he said.

Speaking at a regular press conference after the morning cabinet meeting, Fujii said that although the ministry is making no official study, he has "heard of" opinions to take further fiscal steps to revitalize the economy without floating deficit-financing bonds.

The finance minister denied there was any difference of views within the cabinet on the undesirability of floating deficit-financing bonds.

Concerning the fluctuations of the Japanese yen against the dollar, Fujii said the government will continue to closely monitor the currency exchange market.

He denied the government is considering any redenomination of the Japanese currency. Rumors about such a move have resurfaced as the dollar started to drop to almost 100 yen. Fujii also told the press about an ad hoc cabinet conference held the same morning on boosting public works spending.

Fujii said 56 percent of the public works investment for the current fiscal year had been contracted by the end of June and it was up 19.2 percent from the same period last year in terms of value.

"There is no problem with the supply of labor or materials," Fujii said, projecting that it will be possible to accomplish the target of front-loading 75 percent of public works in the first six months of fiscal 1993 as a way of improving business conditions.

There were no delays or problems in connection with bribery scandals that led to banning some major contractors from joining public works projects, the finance minister said

Tokyo Report Points to Economy's 'Contraction'

OW2408084193 Tokyo KYODO in English 0804 GMT 24 Aug 93

[Text] Tokyo, Aug. 24 KYODO—Japan's leading and coincident economic indicators for June fell below the "boom or bust" line of 50 percent for the second month in a row, a government report said Tuesday [24 August].

The Economic Planning Agency (EPA) reported that the June diffusion index of leading indicators came to 36.4 percent, staying below the threshold 50 percent for the second month in a row after four straight months above the line.

A reading above 50 percent is regarded as auguring economic expansion over the short term and a level below 50 percent as pointing to contraction.

In its monthly economic report for August, released last Friday, the agency said "a slight stalling is observed in the recovery movements."

Economic ministers on Thursday reached a consensus at a meeting that the economy is yet not on a firm recovery path as the former government had declared.

The coincident index, which reflects the current state of the economy, stood at 10.0 percent, also remaining below 50 percent for the second consecutive month after topping it for three months in a row, the EPA said. If the coincident index stays above 50 percent for three months in a row, the month prior to that three-month period is considered the bottom of an economic slowdown.

The EPA, which previously maintained that the economy had bottomed out, conceded that the economy remains sluggish at the bottom. An EPA official said the fall in the leading and coincident indicators was within expectations, stemming from such temporary factors as lower industrial output and consumer goods shipments in reaction to brisk business activities in March ahead of the March 31 book closing.

June indexes are based on comparison with indicators three months ago. The lagging index for June, which shows business conditions in recent months, came to 0.0 percent, staying below 50 percent for the 16th consecutive month.

The EPA revised the May leading index to 41.7 percent from the preliminary 30.0 percent. The coincident index and the lagging index were unchanged from the preliminary report in May.

The official said the effects of the yen's rise and unusually long rainy period were not yet visible in June, and refused to make any specific predictions for July with no data yet available. But he noted that the effects are likely to appear in July, and pointing to the industrial output used to calculate the leading index, added, "it looks weak for that month."

"We really don't know what's going to happen in the diffusion indexes for July, and the overall economy requires a careful watch as was stressed at the meeting of economic ministers," he said.

Crude Steel Output Up for 8th Straight Month

OW1808062793 Tokyo KYODO in English 0609 GMT 18 Aug 93

[Text] Tokyo, Aug. 18 KYODO—Japan's crude steel production posted an eighth month of consecutive year-on-year gains in July, the Japan Iron and Steel Federation reported Wednesday [18 August]. The July output amounted to 8.47 million tons , up 3.8 percent over a year earlier but down 4.4 percent from the preceding month.

Federation officials said the year-on-year advance reflects continuously robust demand from China, rather than recovery of domestic demand. Ordinary steel production accounted for 7.02 million tons of the July production, up 4.5 percent over a year before, and specialty steel output edged up 0.7 percent to 1.45 million tons.

North Korea

Pyongyang Denies Seeking Talks With Israel

SK2308152693 Pyongyang KCNA in English 1518 GMT 23 Aug 93

["DPRK Foreign Ministry Spokesman Refutes Israel's False Report"—KCNA headline]

[Text] Pyongyang, August 23 (KCNA)—A spokesman for the DPRK Foreign Ministry gave the following answer to a question put by a KCNA reporter today regarding the rumor spread by Israel and Western countries that North Korea "suggested government-level talks" to Israel but the latter decided to suspend "contact" with it:

Official media of Israel are these days misleading public opinion with the false report that the DPRK is seeking "establishment of relations" with Israel, making much ado about the DPRK's "missile problem", and some Western media are circulating their self-opinionated speculations in this regard.

This is part of their despicable intrigues against the DPRK.

What should not be overlooked is that official figures of Israel provoked the DPRK with the announcement that they would strongly support somebody's "leading role" in restraining the "danger" from the DPRK.

In the past, too, Israel has tried to tarnish the DPRK's image among the Middle East countries by spreading unfounded, false reports that the DPRK "formally invited" someone of the Israeli side and "expressed" an "intention" of establishing diplomatic relations" with it.

All this is nothing but a ridiculous jargon of those bereft of reason who stoop to any infamy to meet their own interests.

It is a gross miscalculation if Israel intends to fish in troubled waters politically by driving a wedge between the DPRK and Arab countries with false reports.

The DPRK will always fully support the cause of the Arab people including the Palestinian people and invariably develop friendly and cooperative relations with the Middle East countries.

Israel must look squarely at the trend of the times and act with discretion.

U.S.-ROK 'Ulchi Focus Lens' Exercises Denounced

SK2308122893 Pyongyang Korean Central Broadcasting Network in Korean 0022 GMT 23 Aug 93

[NODONG SINMUN 23 Aug special article: "Warmongers Cannot Avoid Denunciation"]

[Text] Fellow countrymen in the North, the South, and overseas are filled with a burning resolution to achieve the country's peaceful reunification at any cost in the nineties. The Fourth Pannational Rally, which was recently held, has clearly demonstrated the nation's grand flow toward unity and reunification again at home and abroad.

When more and more fellow countrymen at home and abroad join in the movement of great national unity and peaceful reunification, the South Korea's present rulers are taking the road contrary to this.

The great leader Comrade Kim Il-song has taught:

The South Korean rulers are raving with words about dialogues. In deeds, however, they are intensifying tension and making a maneuver to provoke a new war.

The South Korean authorities have conducted the Ulchi Focus Lens joint military exercise together with the United States from 17 August, braving the unanimous opposition and rejection by public opinions from home and abroad. This war exercise, which will continue for 15 days by the end of this month, involves hundreds of thousands of South Korean puppet troops and tens of thousands of U.S. troops, which are occupying South Korea, and U.S. troops from the U.S. mainland.

The Ulchi Focus Lens joint military exercise, which is being conducted frantically in South Korea, is a very dangerous nuclear war exercise, which is being conducted under the different code name but is tantamount to the Team Spirit war exercise. This exercise has been annually conducted in South Korea together with the Team Spirit joint military exercise since 1976.

Saying that they should fill a vacuum resulting from the suspension of the Team Spirit joint military exercise, the South Korean authorities conducted the Ulchi Focus Lens war exercise, which is larger in scale than the previous ones, last year together with the United States. In this connection, public opinions at home and abroad labeled the Ulchi Focus Lens war exercise as a second Team Spirit. This was not an exaggerated evaluation at all.

Hurled into the Ulchi Focus Lens war exercise last year were a great number of ultramodern arms, including the F-117 Stealth Fighter-Bomber, the Airborne Warning and Control System, and the Patriot missile, which the United States had used during the Persian Gulf war. After designated bases in countries in the three continents, including South Korea, Germany, and the United States, were linked via communication satellite, the exercise was conducted in the sky, on the ground, and in the sea under the unified command by means of electronic computers. This implies that the Ulchi Focus Lens joint military exercise is not a mere military exercise but an extremely dangerous military act designed to invade the northern half of the Republic at any moment.

The situation on the Korean peninsula today offers no ground for the South Korean authorities to conduct the war exercise such as the Ulchi Focus Lens in collusion with outside forces.

As has been known, we have put forward the 10-point program for great national unity and also made to the South side a proposal on exchanging special envoys in a bid to resolve pending issues, including the North-South nuclear issue. Our position that we will resolve pending issues, including the nuclear issue, through dialogues and realize the country's reunification peacefully with the nation's united strength remains unchanged. This means that the South Korean rulers have no reason at all to conduct the nuclear war exercise against us together with outside forces.

Upholding the banner of the civilian-led government, South Korea's present rulers have stated that no outside force is better than the nation. If the South Korean authorities truly regard fellow countrymen as of greater importance than outside forces and intend to solve problems through dialogues, they should refrain from pursuing confrontation and intensifying tension.

The large-scale war exercises, including the Ulchi Focus Lens joint military exercise and Team Spirit war exercise, will affect the North-South dialogue. They are well aware of it. Because of this, even the Sixth Republic once suspended the Team Spirit war exercise, saying that it would affect the atmosphere of dialogue.

The South Korean authorities are conducting the nuclear war exercise to invade the North, ignoring our efforts to achieve the great national unity and peaceful reunification. We don't know at all what they have in mind.

Just as the Fifth and Sixth Republics did, the civil government confronts with us in collusion with outside forces. Also, it is pursuing to maintain and perpetuate its power under the protection of great powers in return for its placing the destiny of fellow countrymen in the hands of great powers.

To hide their criminal attempts, the South Korean rulers are raising the issue such as the so-called suspicion of the North's nuclear development.

In his press conference marking the 100 days of his inauguration, the South Korean ruler said that he will not shake hands with the other side, which possesses nuclear weapons, under the pretext of our fictitious nuclear development. During his visit to areas near the Military Demarcation Zone and participation in the meeting of key commanders of the Armed Forces, he inspired the confrontation and war fever, saying that peace can be maintained only based on power, and that the Armed Forces must be ready for action at all times.

The South Korean authorities responded to our proposal for the exchange of special envoys by conducting the Ulchi Focus Lens-93 war exercise. They even begged the U.S. President to punish fellow countrymen under the pretext of the North's nuclear issue when he visited South Korea. The North's nuclear issue is no more than a fabrication made by the imperialist reactionaries to stifle our Republic, a fortress of socialism.

The South Korean authorities play a shock brigade role in kicking up nuclear commotion against us. This means that they do not want to resolve the so-called nuclear issue, but rather to do harm to fellow countrymen by force of foreign forces and to break off the North-South dialogue. While recently making proposals to resume a meeting of the North-South Joint Nuclear Control Committee as if they were interested in resolving the nuclear issue, the South Korean authorities are conducting the Ulchi Focus Lens nuclear war exercise against us in collusion with outside forces. This also shows what their main purpose for kicking up the nuclear commotion is.

They have spread rumors that they will conduct the Team Spirit-94 nuclear war exercise next year with the United States. They have proposed holding dialogue for the settlement of the nuclear issue. Nevertheless, they have conducted the nuclear war exercises that run counter to dialogue. No one can say that this is their attitude to resolve the nuclear issue through dialogue.

The South Korean authorities bring black clouds of nuclear war over the heads of fellow countrymen in collusion with outside forces, running counter to all people's desire for peace and reunification. This is an anti-national criminal act that cannot be forgiven at all.

The present South Korean Government, which is under the cloak of the civil government, is treading the Fifth or Sixth Republic military dictators' steps, reeking with the powder of war against the fellow countrymen.

What the South Korean authorities can obtain from the confrontation and war is their self-destruction. The South Korean rulers must immediately stop conducting the reckless nuclear war provocation that will bring the countless unhappiness and disaster to the nation.

KCNA Notes Groups' Support for U.S.-DPRK Talks

SK2308112993 Pyongyang KCNA in English 1027 GMT 23 Aug 93

[Text] Pyongyang, August 23 (KCNA)—Organisations of various countries are demanding the implementation of the points agreed upon at the DPRK-US talks.

The Zimbabwean National Committee for the Study of the Chuche Idea and the Zimbabwe-Korea Solidarity and Friendship Association in a joint statement August 5 said that the proposal of the Democratic People's Republic of Korea to introduce light water moderated reactors at the DPRK-U.S. talks in Geneva showed the supreme intention of the DPRK for a final resolution of the nuclear problem.

The statement demanded that the United States immediately put into practice the points agreed upon at the DPRK-U.S. talks and make efforts for peace in the Korean peninsula and the world.

The Namibia-Korea Friendship and Solidarity Association in a statement demanded the United States to stop forever any nuclear threat against the DPRK as it promised at the talks.

The statement expressed the conviction that the world peace- loving people, political parties and organisations and organisations for friendship and solidarity with the Korean people will unite with one another and exert influence on the United States to implement the points agreed upon at the DPRK-U.S. talks so as to help toward the fundamental solution of the nuclear problem on the Korean peninsula, the improvement of the relations between the DPRK and the US and peace and security in Asia an the rest of the world.

The Barbados Committee for Friendship and Solidarity with the Korean people in a statement demanded that the United States pull its troops and nuclear arms from South Korea and stop all military actions including the "Team Spirit" joint military exercises.

KCNA Denounces South Media on 'Food Riot' Reports

SK2308120693 Pyongyang KCNA in English 1050 GMT 23 Aug 93

[Text] Pyongyang, August 23 (KCNA)—Some media of South Korea, quoting the U.S. paper THE WASHINGTON POST August 20, spread a groundless, false report against the DPRK.

The report, basing itself on "Words of Travellers," alleged that "a food riot and uprising broke out" in different areas of the DPRK from this spring and "the Army was mobilized in suppressing" it.

This fantastic report is, obviously, a brainchild of the South Korean puppet Security Planning Board (SPB) judging from its content and method.

The puppet SPB repeatedly invented similar false reports in 1991 under the "Sixth Republic's regime", and spread false rumours about some "big riots against the system" in April and May after the "civilian regime" made its appearance only to invite ridicules of the world.

It is a fact known to the whole world that the DPRK has attained self-sufficiency in food long before and its people are supplied with food by the state at prices next to nil.

Many foreign visitors feel envy and admiration at this after visiting the DPRK. How can this be a "food shortage" in the eyes of the "travellers" appearing in the tricky script of the "SPB".

Everybody knows that in the DPRK all the people are united with one mind behind the party and the leader and the beautiful tradition of unity between the Army and the people is coming into full bloom.

No one but the tricksters of the "SPB" can dare address themselves to such shameless fabrications as distorting the admirable reality.

It is nowhere else but South Korea where the people are suffering from hardships including food shortage and the system is shaking always in face of the people's strong resistance.

The rate of self-sufficiency in food in South Korea has continued to drop, nosediving to a meagre 37.5 percent last year.

The food shortage is so acute that many primary school children with strong appetite have to go to school without a box lunch.

The WASHINGTON POST had reported about a tragedy of some children who committed suicide by taking rat poison in downtown Seoul, unable to endure hunger.

Nevertheless, the "Security Planning Board" of South Korea is spreading such third-rate false reports. This can be said to be a somnambulistic fit of those who feel extreme uneasiness and irritation at socialism in the North making a long drive and the international prestige of the DPRK rising higher than ever before.

This year they ran riot as a shock force, pinning great hopes on the allied offensive of the imperialist reactionary forces to stifle the DPRK, only to drink a bitter cup in face of the might of our unbreakable singlehearted unity around the party and the leader. This only brought into a bolder relief the mightiness and invincibility of the DPRK worldwide.

The celebrations of the 40th war victory day in July showed once again at home and abroad that the singlehearted unity of the leader, the party and the masses is the essence and true picture of Korean-style socialism.

Feeling upset at this, the anti-communist plot-breeders of the "Security Planning Board" resorted to the stereotyped anti-DPRK smear campaign this time again in an attempt to check the might of our singlehearted unity and its influence on the South Korean people.

The case indicates that, with the "SPB" engaging itself in anti-communist plots left alone, it is impossible to achieve national reconciliation and unity and public opinion cannot but be fooled by such a plot-breeding machine as the "SPB."

Availing ourselves of this opportunity, we want to say a few words to the South Korean media which conveyed the false report invented by the "SPB" without consideration. The South Korean media must no longer behave as a loudspeaker of the puppet SPB which fosters distrust and confrontation between the fellow countrymen as they did in the period of the preceding fascist regimes.

South Pannational Rally Leader Receives Letters

SK2408111793 Pyongyang KCNA in English 1020 GMT 24 Aug 93

[Text] Pyongyang, August 24 (KCNA)—Solidarity letters came to the Rev. Mun Ik-hwan, chairman of the South side headquarters for the promotion of the Fourth Pan-national Rally [PNR], from the Russian Association for Friendship and Cultural Cooperation with the Democratic People's Republic of Korea, the Poland-Korea Association, Manik Lal Shrestha, chairman of the Nepal-Korea Friendship Association and vice-chairman of the Nepalese Committee for Supporting Korea's Reunification, the Yemen Peace and Solidarity Council and the Preparatory Committee for the Inauguration of the Yemen-Korea Friendship Association, El Hadji Ceickna

Hamala Tounkara, secretary general of the Mali Afro-Asian Solidarity Committee, Pierre Welo Ahondju-Ewale, chairman of the Zaire-Korea Friendship Association, N. Coulibaly, secretary general of the Malian National Committee for the Study of the Chuche Idea, the Mozambican Committee for Friendship with the people of the Democratic People's Republic of Korea, Floid Ivers, chairman of the Jamaica-Korea Friendship Association, Keith Comrie, General secretary of the Jamaica Peace Council, Jean-Louis Michniak, chairman of the French Committee for Recognising the Democratic People's Republic of Korea, Jean Suret-Canale, delegate-president of the France-Korea Friendship Association, Luis Manuel de Araujo, chairman of the Portuguese Central Committee for the Study of Kimilsongism, Gerard Schaler, secretary general of the Luxemburg Committee for Support to Korea's Reunification, Robert Medernach, ex-chairman of the Students Association of Luxemburg, the Britain- Korea Friendship Committee, the Afro-Asian Solidarity Organization of Britain, Mario Osorio, chairman of the Spanish Committee for Supporting Korea's Reunification, and Anders Kristensen, chairman of the Denmark-the Democratic People's Republic of Korea Friendship Association.

The letters said that the South Korean authorities are blocking the road of the delegates of the North and overseas compatriots and suppressing the opening of the PNR by force of arms and this proves once again that they are, in fact, obstacles to Korea's reunification.

Such stand, the letters said, brings to light the self-righteous and anti-democratic nature of the present South Korean "president". The letters expressed the conviction that the PNR would be a milestone in arousing the entire people to the struggle to get the U.S. troops withdrawn from South Korea and reunify the country by the efforts of the Korean people themselves and stirring up the world public in support of the reunification of Korea.

Daily Warns Against Japan's 'Aggression' 'Scheme'

SK2408053393 Pyongyang KCNA in English 0445 GMT 24 Aug 93

["NODONG SINMUN on Argument for 'Increasing Capability To Control Regional Disputes'"—KCNA headline]

[Text] Pyongyang, August 24 (KCNA)—The reactionary circles of Japan scheme to set out on overseas aggression in real earnest under the deceptive slogans of "international contribution" and "control of disputes," taking advantage of the new international situation characterised by the breakdown of the policy of strength of superpowers and the aggravation of disputes in some regions, warns NODONG SINMUN today.

The paper says in a by-lined article:

In an attempt to justify their argument for "increasing the capability to control regional disputes" the Japanese reactionary circles talk about Japan's obligation of "international contribution" and the possibilities of the weakening of the combat capacity of the U.S. Forces deployed in forward areas and increase of regional disputes.

By "increasing capability to control regional disputes" the Japanese reactionaries mean strengthening of their capacity of overseas military aggression.

In the past, they resorted to unlimited armament expansion and arms buildup for "self-defence" under the pretext of somebody's "threat" and constantly increased the overseas operation capacity of Japanese Armed Forces to "hold back" the "enemy's attack" outside the territorial waters of Japan.

It is hard today, however, for them to realise their sinister purpose with the old method because the cold war structure between East and West has collapsed and there is no "possibility of attack" on Japan.

So, they come out with a new pretext of "control of regional disputes." With this aggressive doctrine, they plan to increase the overseas operation capacity of Japanese Armed Forces and carry into practice their design of military aggression.

Japan invaded other countries in the past under the slogan of "peace in the East" and now it schemes to stretch its hands of aggression to various parts of the world under the pretext of "control of disputes."

What is grave in the Japanese reactionaries' project of "increasing the capability to control regional disputes" is that they regard nuclear armament as its key point.

The Japanese reactionary circles must discard the mode of thinking and viewpoint of the old era and refrain from the criminal scheme to realise overseas military aggression under the deceptive slogan of "control of disputes."

KCNA Reports Criticism of Japan on 'Comfort Women'

SK2308213393 Pyongyang KCNA in English 1504 GMT 23 Aug 93

["'Apology' Only Is Inadequate"—KCNA headline]

[Text] Pyongyang, August 23 (KCNA)—The world public denounced the Japanese Government's "report on the results of investigation" into the problem of "comfort women for the army".

The Tanzanian paper DAILY NEWS August 7 said that the "apology" of the Japanese Government was not an adequate atonement for the Japanese imperialists' forcible drafting of large numbers of women as sexual slaves during the Second World War.

"If the Japanese Government sincerely wants a thoroughgoing solution of the 'comfort women' problem, it must fully open its truth to the public, make an apology, punish those responsible and compensate to the victims," stressed the paper.

The Swiss paper HERALD TRIBUNE August 9 said Japan admitted that it was responsible for the drafting of hundreds of thousands of Asian women, but it has not yet disclosed the whole picture.

"The new government must be more frank in the future and make direct compensations to the victims," the paper said.

The Malaysian paper BUSINESS TIMES August 17 said Japan must clearly liquidate the militarist past by making compensations to the victims.

The Swedish papers SVENSKA DAGBLADET, DAGENS NYHETER, the Ghanaian paper GRAPHIC, the Nepalese paper KATHMANDU POST, the Slovak paper PRAVDA, the Ethiopian paper ETHIOPIAN HERALD, the Ghanaian paper GHANA TIMES and the television and radios of Togo demanded an adequate atonement of the Japanese Government.

Kim Il-song Receives Chinese Ambassador

SK2308120593 Pyongyang KCNA in English 1051 GMT 23 Aug 93

[Text] Pyongyang, August 23 (KCNA)—The great leader President Kim Il-song today received Zheng Yi, Chinese ambassador e.p. to Korea, who paid a farewell call on him.

Present on the occasion were Vice Premier and Foreign Minister Kim Yong-nam and officials of the Chinese Embassy here.

President Kim Il-song had a talk with the ambassador.

He received a gift from the ambassador.

National Technology Festival Concludes 20 Aug

SK2208083393 Pyongyang KCNA in English 0811 GMT 22 Aug 93

[Text] Pyongyang, August 22 (KCNA)—The 8th National Festival of Science and Technology which opened here Tuesday closed Friday.

Scientists, technicians, working people and Three-Revolution team members presented for the festival successes they have achieved in their researches to develop the nation's science and technology to a new higher stage and, on this basis, to further step up production and construction, upholding the party's policy of science and technology.

A new blasting method to increase coal iroduction, production of electrolytiuc zinc of ultrahigh quality, a new flexible production cell, rice-seedling cultivation by a new method, iroduction of microorganism composite fertilizer and its effective application and many other successes gained in researches in various domains of the national economy including coal, power, metal, machine, electronics and automation industries and agriculture won high appreciation.

At the closing ceremony prizes were awarded to winners at the 8th National Festival of Science and Technology and officials and working people who distinguished themselves in scientific researches and technical innovations last year, and invention certificates and medals were conferred upon many participants.

Meeting Commemorates Tourism Directorate Founding

SK2408051093 Pyongyang KCNA in English 0429 GMT 24 Aug 93

[Text] Pyongyang, August 24 (KCNA)—A meeting was held Monday to commemorate the 40th founding anniversary of the National Directorate of Tourism.

A congratulatory message of the Central Committee of the Workers' Party of Korea to the officials and employees of the directorate was conveyed at the meeting.

The congratulatory message said that the officials of the directorate had made and circulated tourist propaganda materials in various forms and methods to suit people of different countries differing in political view, religious belief, language and custom and shown the tourists round revolutionary sights, scenic spots, grand monumental edifices and historical remains and relics including Mt. Paektu, Mt. Kumgang and Mt. Myonghyang, thus greatly contributing to introducing and propagandizing the greatness of the party and the leader, the superiority of our style socialism of single-hearted unity and the long history and beautiful landscape of our country.

Director of the bureau Kim Paek-son in his report said that the great leader President Kim Il-song founded the Korean International Tourist Agency under difficult conditions after the war in order to develop the country's tourism and strengthened and developed it as the national directorate of tourism in conformity with the demand of developing revolution.

He noted that the directorate would develop tourist exchange with other countries, expand the tourist market and steadily improve services for the tourists.

The meeting was attended by Vice-Premier Kim Pok-sin.

A letter of pledge to the dear leader Comrade Kim Chong-il was adopted at the meeting.

KCNA Reports 'Good' Ruling on Rice, Maize Crops

SK2308113993 Pyongyang KCNA in English 1037 GMT 23 Aug 93

[Text] Pyongyang, August 23 (KCNA)—Crops are ruling good on the cooperative fields of Korea.

Rice stalks are sturdy and ears are rich on all fields including the Yonbaek, Chaeryong, Unjon and Sokchon plains on the West Coast and the Hamju Plain on the East Coast.

The number of rice ears is 1,600 to 1,800 and 2,100 at the maximum per pyong (one pyong is six feet square) on nearly all fields. The number of grains per ear is some ten more than last year's.

Maize is also ruling good.

This year the tassels and ears sprouted nearly at the same time, with the result that the fertilization rate is very high and grains are ripening well.

The number of grains of each maize ear is 40 to 60 more than last year's in North and South Phyongan and North and South Hwanghae and other Provinces.

The agricultural working people have done all farm work qualitatively in time to meet the scientific and technical regarding the increase of per-hectare yield as an important reserve for increased grain output.

Many farms foresee an increase of one or two tons of rice above last year per hectare and a considerable rise in maize harvest.

Ministry: 'Promising' Ore, Coal Sites Discovered

SK2008230293 Pyongyang KCNA in English 1501 GMT 20 Aug 93

[Text] Pyongyang, August 20 (KCNA)—The Ministry of Natural Resources Development in Korea has recently discovered ten promising sites for development and 130 odd ore seams.

Most of those resources detected in northern, central, eastern and western areas of the country are such precious, rare metals and nonmetals as gold, silver and zirconium.

They are of weighty significance in the development of the national economy such as metal, machine and cement industries.

New ore and coal mines are now making their appearance at the newly found sites of development.

New Envoy to Congo Presents Credentials

SK2108104093 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 18 Aug 93

[Text] (Cha Chong-un), our country's new ambassador extraordinary and plenipotentiary to the Republic of Congo, presented credentials to President Pascal Lissouba on 12 August.

At the meeting, the ambassador conveyed greetings from the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il to President Pascal Lissouba. Expressing deep gratitude for this, the president asked the ambassador to convey his greetings to the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il wishing them long life and good life.

Referring to the development of friendly relations between the Republic of Congo and the DPRK, the president said that the DPRK is a developed country. He said that the respected and beloved leader Comrade Kim Il-song is the great man, who, regardless of the change and upheaval of the world situation, has wisely led the constant development of the DPRK.

KCNA Reviews 23 Aug NODONG SINMUN

SK2308051893 Pyongyang KCNA in English 0448 GMT 23 Aug 93

[Review of NODONG SINMUN]

[Text] Pyongyang, August 23 (KCNA)—NODONG SINMUN today reports that "Answers to Questions Raised by a Delegation of Journalists of WASHINGTON TIMES From the United States", a classical work of the great leader President Kim Il-song, was published in booklet in Pakistan.

The daily carries news that "With the Century", reminiscences of President Kim Il-song, was widely introduced in different countries.

The daily rounds up what Indian public figures said about President Kim Il-song's classical work "Nonaligned Information Services Must Contribute to the People's Cause of Independence".

South Korean people are highly praising the greatness of President Kim Il-song and Comrade Kim Chong-il, says the daily.

The daily comes out with an article on the leadership feats of the dear leader Comrade Kim Chong-il in leading the Oguk cooperative farm, Anak County, South Hwanghae Province, to take the lead in the increased production of grains across the country.

Econews of the daily includes a report about the achievements of working people in different domains of the national economy in production to overfulfil their yearly assignments.

The daily introduces unknown efforts and patriotic enthusiasm of working people across the country to further glorify the socialist motherland.

The Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) sent a message of thanks to the entire officials of Chongnyon and Koreans in Japan who brilliantly achieved the signature target to support and realise the 10-point programme of the great unity of the whole nation, reports the daily.

The U.S. imperialists and the South Korean puppets committed a war exercise against the North, according to the daily.

It is reported in the daily that a South Korean paper accused the authorities of following the labour policy of the preceding military "regime", a South Korean inhabitant condemned the authorities for blocking the discourse on reunification and more than 300 workers under the Wonjin Rayon Emergency Measure Committee staged a demonstration demanding a measure against occupational disease.

Conveyed in the daily is news that organisations and officials of foreign countries sent solidarity letters to the Rev. Mun Ik-hwan, chairman of the South side headquarters for the promotion of the Fourth Pannational Rally.

The daily carries an article stressing that the present South Korean authorities who are whipping up a North-South confrontation while staging the "Ulchi Focus Lens" joint military exercises cannot but invite the denunciation of the whole nation.

Echoed in the daily are voices of foreign party leaders and progressive figures highly praising Korean-style socialism.

It reports that the chairman of the PLO executive committee laid an emphasis on the importance of the solution of kuds problem, the indonesian president called for the self-supporting development of the economy and the Indian Prime Minister supported the African National Congress of South Africa.

The daily deals with the situation in Angola which is being complicated by the civil war between the Angolan Government Army and the UNITA [National Union for the Total Independence of Angola].

KCNA Reviews 24 Aug Pyongyang Press

SK2408053493 Pyongyang KCNA in English 0438 GMT 24 Aug 93

[Press review]

[Text] Pyongyang, August 24 (KCNA)—Papers here today report that the great leader President Kim Il-song received the Chinese ambassador E.P. [extraordinary and plenipotentiary] to Korea who paid a farewell call on him.

Printed in the press is a message of greetings sent by President Kim Il-song of the Democratic People's Republic of Korea to Ukrainian President Leonid Makarovich Kravchuk on the occasion of the national day of Ukraine.

NODONG SINMUN informs the readers that classical work of President Kim Il-song "Let Us Achieve the Great Unity of Our Nation" was disseminated and studied in different countries.

According to the paper, the minister of public information of the Republic of Angola highly praised President Kim Il-song as the greatest of the great men.

The dear leader Comrade Kim Chong-il sent thanks to the participants in a true-story telling performance of veterans of the fatherland liberation war and officials, says the press.

Conveyed in NODONG SINMUN are words of South Korean people praising President Kim Il-song and Comrade Kim Chong-il as iron-willed brilliant commanders.

The paper carries an article on the loving care shown by President Kim Il-song and Comrade Kim Chong-il to glorify forever the life of heroine An Yong-ae who fell while valiantly fighting as a nurse of the Korean People's Army in the fatherland liberation war.

MINJU CHOSON runs an article on the solicitude shown by Comrade Kim Chong-il to build up Mt. Kumgang, a famous mountain of the world, better into a rest place for the people.

Given in the press is an account of a national meeting held in Pyongyang to mark the 65th anniversary of the formation of the Anti-Japanese Trade Union by President Kim Il-song.

Econews of the press includes reports about new innovations in production and construction in all parts of the country and about brisk preparations for harvesting in rural communities.

NODONG SINMUN informs the readers that the 8th National Scientific and Technical Festival was closed.

Introduced in the paper are the world public expressing full support and solidarity for the Korean people's cause of national reunification.

It is reported in the press that the World Conference on Human Rights criticized the human rights problem in South Korea and a South Korean newspaper demanded death sentence upon the culprits of the "December 12 Army Purge Coup".

NODONG SINMUN in an article exposes the intelligence surveillance of the present South Korean "regime" which styles itself a "civilian government".

Success of the DPRK-U.S. talks was welcomed in various countries, says the press.

The press dedicates articles to the 30th anniversary of the establishment of diplomatic relations between Korea and Egypt.

The press observes the national day of Ukraine.

The press reports that the head of State of Libya criticized the unwarrantable measure of the United States and the president of the Revolutionary Command Council for the National Salvation of the Sudan condemned the unreasonable act of the United States.

An article of NODONG SINMUN exposes the aggressive nature of the "Increase of the Capabilities of Controlling Regional Disputes" Vociferated by the Japanese Reactionaries.

South Korea

Defector Claims DPRK Coup Attempt, Executions

SK2408095093 Seoul YONHAP in English 0931 GMT 24 Aug 93

[Text] Seoul, Aug. 24 (YONHAP)—A recent North Korean defector said here on Tuesday there was a coup d'etat attempt in North Korea toward the close of last year and all senior Army officers involved were executed. Yim Yong-son, 30, who he said was an Army first lieutenant in the North, told a press conference the abortive coup was organized by about 10 senior general-grade officers all with the background of training at military academies in the former Soviet Union.

"Their plot was detected by Security Bureau of the People's Armed Forces Ministry and all those involved were executed," Yim said. The defector arrived in Seoul on last Aug. 10 after he escaped to a Southeast Asian country where he contacted South Korean officials and was granted an asylum in the South.

He said that in North Korea he joined the military in 1980, where he was first a signal squad leader of 101st regiment of the 583rd unit and later a platoon leader as first lieutenant. Stating that the food situation has grown worse in North Korea, Yim said that even in the People's Army where the food rations are supposed to be best in the North, many cases of malnutrition occurred among soldiers.

"Such cases are so widespread that the People's Army operates centers exclusively for malnutrition patients at each Army corps and training center," he said. In no less short supply are ordinary industrial materials, because of which, the defector said, work hours at most industries last no more than about three hours a day.

Asked about the nuclear issue of North Korea, Yim said he was not aware of concrete nuclear matters. But, he said he once heard that to escape inspections by the International Atomic Energy Agency (IAEA), North Korea relocated a nuclear reactor from an underground structure at Yongbyon. "According to what I heard, hundreds of workers were killed in the process due to inexpert handling of the disintegrated reactor," he said.

Says Long-Range Missile Bases Built

SK2408114893 Seoul KBS-1 Radio Network in Korean 1012 GMT 24 Aug 93

[Text] North Korea has completed the construction of long-range missile launch bases to attack U.S. military bases located in Japan and Guam in case of need, a North Korean defector, who identified himself as an Army first lieutenant in the North, said during a news conference today.

Correspondent Kim Hui-chol reports:

[Begin Kim recording] Yim Yong-son, who defected to the ROK on 11 August [date as heard], said in a news conference that North Korea already established underground long-range missile launch bases at two sites, Mt. (Komdok), Hwadae County, North Hamgyong Province; and Okpyong, Munchon city, Kangwon Province; at the end of the eighties and is currently building long-range missile launch bases at Chunggang, Chagang Province; and Wonsan, Kangwon Province.

Regarding the International Atomic Energy Agency's inspection of the North's nuclear facilities, he disclosed that North Korea attempted to cover up nuclear-related facilities. He said that (?the Civil Engineering Bureau) of North Korea's Public Security Ministry attempted to relocate a nuclear reactor, and hundreds of workers were killed in the process due to improper handling of the dismantled reactor.

He said that more residents are becoming disgruntled due to the food shortage. He said, however, that those who show dissatisfaction are treated as political prisoners and, thus, are severely punished, and added that food riots often occur in the North.

He said that the Mt. Kumkang dam construction project is being regarded as the most important construction project in the nation this year. The dam is being built for civilian use. However, it could be well used for military purposes in time of need.

Stating that factory workers only work two to three hours per day due to the shortage of raw materials, he hinted that the North is suffering from an economic crisis. [end recording]

IAEA Accepts DPRK Bid To Hold Talks in Pyongyang

SK2108001793 Seoul YONHAP in English 0003 GMT 21 Aug 93

[Text] Paris, Aug. 20 (YONHAP)—The International Atomic Energy Agency (IAEA) decided Friday to accept a North Korean proposal to hold negotiations in

Pyongyang on the implementation by North Korea of the nuclear safeguards agreement. An IAEA official said Friday that the agency has sent a letter to Pyongyang Thursday, accepting the North Korean invitation made Thursday by Choe Hak-kun, minister of Atomic Energy Industry.

North Korea told the IAEA that it was prepared to receive an IAEA delegation to Pyongyang to discuss pending issues including special inspection of its nuclear facilities, the official said. The IAEA has decided to form a five-member delegation led by the deputy director of the nuclear safety management bureau of the agency. The IAEA will let North Korea fix the date of the proposed negotiations, the official said.

After the first round of negotiations in Pyongyang, a second round would be held in Vienna if necessary, the offcial said, requesting anonymity. As a result, the negotiations between the IAEA and North Korea are expected to resume nearly half a year after they have been suspendded in Februrary over the issue involving the two unreported and suspected sites in the Yongbyon Nuclear Complex. But one diplomatic source in Vienna predicted that even though North Korea proposed the resumption of negotiations, it would not agree to special IAEA inspection on the two suspected sites.

Nevertheless, a planned dispatch of an IAEA delegation to North Korea is a step forward toward the resolution of the North Korean nuclear issue, he added. The North Korean proposal to the IAEA for talks was part of agreement Pyongyang has reached with the United States in their high-level talks in Geneva on July 19.

NUB Reports Decline in DPRK Industrial Production

SK2308142293 Seoul MAEIL KYONGJE SINMUN in Korean 23 Aug 93 p 2

[Text] It is estimated that the operating rate of North Korea's industrial facilities dropped to 30-40 percent last year due to the energy crisis and the shortage of raw materials supply. A National Unification Board [NUB] official revealed on 22 August: "It is estimated that the actual output of North Korea's major industrial products—steel, nonferrous metals, automobile, chemical fertilizer, cement, and textiles—was no more than 30 to 40 percent of annual production capacity last year." "The cause seems to be the shortage of energy and raw materials supply," he added.

North Korea's steel production was 1.793 million tons which was far below 5.98 million tons of its annual production capacity, and automobile production was 10,400 cars which accounts for only one third of its annual production capacity of 35,000 cars, according to the NUB. An actual output of cement was 4.744 million tons, falling short of its annual production capacity of 12.02 million tons, and that of textiles plunged 75 percent to 170 million meters. The amount of electric power generation and coal supply dropped 6.1 percent to 24.7 billion kilowatts and 5.8 percent to 29.20 million tons respectively compared to those of 1991.

President Meets With Russian Deputy Premier

SK2408080893 Seoul YONHAP in English 0742 GMT 24 Aug 93

[Text] Seoul, Aug. 24 (YONHAP)—President Kim Yong-sam called on Russia to lift a ban on fishing in the Okhotsk Sea on Tuesday in a meeting with Russian Deputy Prime Minister Aleksandr Shokhin at Chongwadae [presidential offices]. Kim also urged the Russian Government to clearly express its position on the Soviet Union's shooting down of a Korean passenger plane over Sakhalin in 1983, Chief Presidential Press Secretary Yi Kyong-chae said.

Shokhin replied that the Russian Government would send a letter to Seoul on the incident and adopt some proper measures, Yi said. "We know Russia has lots of materials on the Korean war and Russian President Boris Yeltsin has promised to hand over the materials when I visit Russia, but I hope Russia will hand them over even before I go to Moscow," Kim said. Shokhin said he would advise President Yeltsin to hand the materials to Seoul.

Touching on the fishing ban, Shokhin said that there was a serious danger of extermination for fish in the Okhotsk Sea and Russia was considering a moratorium on fishing there with the United States. Russia is studying ways to allow Korean boats to fish in Russian waters in case the moratorium is in actuality agreed on, the Russian official said.

Kim Plans 1994 Visit to Russia

SK2408052293 Seoul YONHAP in English 0513 GMT 24 Aug 93

[Text] Seoul, Aug. 24 (YONHAP)—President Kim Yong-sam is planning to visit Russia next year.

Kim revealed his wish to visit Moscow when he met with Russian deputy prime minister Aleksander Shokhin at Chongwadae [presidential offices] on Tuesday morning, presidential spokesman Yi Kyong-chae said. Shokhin is in Korea for the Russian national day activities at the Taejon Expo.

Expressing his gratitude for President Boris Yeltsin's invitation to visit Russia, Kim said, "I'm afraid I shall not be able to make my visit this year for various reasons. I'm thinking of making it next year."

He hoped cooperation between Seoul and Moscow would expand in Science and Technology because of the Taejon Expo and wished Yeltsin well with his efforts to introduce democracy and a market economy, Kim told Shokhin.

PRC Urges Early Signing of Atomic Energy Pact

SK2408084393 Seoul YONHAP in English 0823 GMT 24 Aug 93

[Text] Seoul, Aug. 24 (YONHAP)—China and South Korea should conclude an atomic energy cooperation agreement as soon as possible, a Chinese Embassy official said on Tuesday. "There is no reason why the two nations cannot conclude the agreement," Qin Jiren, counselor in charge of science and technology, told YONHAP in an interview on the first anniversary of diplomatic normalization between the two nations. "Because both nations are in the International Atomic Energy Agency (IAEA), they can use atomic energy only for peaceful purposes," he said.

A report in China recently said that South Korea had imported nuclear fuel from China several times in the first half of the year and that the two countries would possibly sign a nuclear cooperation agreement by the end of the year. Qin said that discussion between the two nations is already under way to cooperate in the peaceful use of atomic energy and that the purpose of the recent visit by a delegation from the Chinese Government's State Science and Technology Commission was discussions on cooperation in the nuclear energy field.

He admitted that the two countries have agreed to jointly make satellites by saying, "The discussions about the joint manufacture of satellites and technology cooperation have already finished." The Chinese side is dissatisfied that a formal contract for cooperation has not been signed yet, he said.

Foreign Minister To Meet PRC's Jiang Zemin

SK2408002293 Seoul YONHAP in English 0005 GMT 24 Aug 93

[Text] Seoul, Aug. 24 (YONHAP)—Foreign Minister Han Sung-chu said Tuesday he would visit China this year for talks with President Jiang Zemin and other Chinese leaders on ways to promote bilateral relations and on the North Korean nuclear issue. Han will also call on Tian Jiyun, vice chairman of the standing committee of the National People's Congress, and hold talks with Foreign Minister Qian Qichen, ministry officials said.

Han attended a breakfast meeting of the South Korea-China Friendship Association at a downtown Seoul Hotel Tuesday morning, marking the first anniversary of the establishment of diplomatic relations. In his speech, Han said he would visit China in the second half of the year to deepen the friendly ties between the two countries.

Friendly ties are reflected in sharp increases in personnel and commodities exchanges, Han said, adding that the two countries could further expand their economic and trade ties by promoting the complementary character of their relations. As the Asia-Pacific Economic Cooperation (APEC) is important for the region's economic cooperation, multilateral dialogue in the Asia-Pacific region and multilateral cooperation in the Northeast Asian area are important for security of the region, he said. South Korea and China could jointly contribute to the peace and prosperity of the region through the development of such multilateral mechanisms, he said.

Seoul To Protest to PRC on Illegal Fishing

SK2408085393 Seoul THE KOREA HERALD in English 24 Aug 93 p 3

[By staff correspondent Pak In-chol]

[Text] Paengnyong Island—Defense Minister Kwon Yong-hae said yesterday he will officially protest to the Beijing government about Chinese illegal fishing around the Northern Limit Line (NLL) here in the West Sea, taking advantage of the inter-Korean confrontation. "The South Korean Navy has detected a total of 700 Chinese fishing boats into our territorial waters fishing around the line this year. We will raise the issue diplomatically," Kwon said. He also denounced Communist North Korea which has reportedly caught and freed Chinese fishermen after fining them while holding South Korean fishermen, when caught, as captives.

Kwon made the remarks after ending an inspection tour of military units here. He visited the island, the northernmost and the 14th-largest island in the South, to encourage soldiers taking part in the "Focus Lens" military exercise. Focus Lens '93, which started last Friday and which will end next Monday, is a command post exercise designed to exercise, evaluate and improve combined and joint coordination, procedures, plans and systems necessary for the conduct of contingency operations in the defense of South Korea.

Kwon tested the alertness of the frontline men and instructed them to keep a strict guard against North Korea and to strengthen cooperation between the military and civilians. Stressing the island's strategic importance, he said he will step up support of medical facilities and construction equipment for the island for residents and soldiers. Kwon was accompanied by Chief of Naval Operations Vice Adm. Kim Hong-yol and Marine Corps Commandant Lt. Gen. Yim Chong-nin on his visit to the island.

Envoy to China Interviewed on ROK-PRC Ties

SK2408032993 Seoul CHOSON ILBO in Korean 23 Aug 93 p 7

[Interview with Hwang Pyong-tae, ROK ambassador to China, by correspondent Pak Sung-chun in Beijing; date not given—first paragraph is introduction]

[Text] On 24 August, the ROK and the PRC will greet the first anniversary of the establishing of diplomatic relations. What is the state of their present relations, and what is the PRC to us? I met with Hwang Pyong-tae, ROK ambassador to China, on the occasion of the first anniversary of the establishing of ROK-PRC diplomatic relations. At this meeting, he expressed his views on these issues.

[Pak Sung-chun] Almost one year has passed since the establishment of diplomatic relations between the ROK and the PRC. It seems that the ROK and the PRC had overestimated each other until the establishment of their diplomatic relations. Do you see any problems that run counter to your expectations?

[Hwang Pyong-tae] No. I do not think we have any problems. Rather, I can say that it is very fortunate for us to be able to establish diplomatic relations with China. Before establishing diplomatic relations, PRC-ROK ties had been severed for nearly 40 years while North Korea maintained blood ties with the PRC. I think, therefore, that it is very fortunate for us to be able to establish official and friendly relations with China despite North Korean-Chinese relations. I had been concerned over whether China would use its traditional method of "using the force of a foreign country to resist the aggressive force of another country" concerning the North-South Korean issue, but, from my personal point of view, the ROK and the PRC are now in a position to cooperate with each other.

[Pak] ROK may benefit from the establishment of diplomatic relations with China. Could you discuss this? Among such benefits, what would be the largest one?

China Is the ROK's Third Largest Trade Partner

[Hwang] Only China can hold extensive dialogues with North Korea. If we want to notify North Korea of our policies through a third country, we can only depend on China for this. It is therefore to our advantage to maintain good relations with China. Also, ties with China bring economic benefits to us. In trade, China is our third largest partner. Generally speaking, trade means the exchange of goods between two parties over a long distance. Relations between the ROK and the PRC, however, are being developed in an unusual way, as investment and cooperation are being carried out simultaneously, beyond the level of trade exchange. I believe that the ROK and the PRC will manufacture and sell goods in the future based on mutual cooperation. Therefore, I can only say that China brings great benefit to us, not only because it is a large market with considerable natural resources and economic potential, but also because ROK-PRC relations are complementary.

Development of Close Cooperative Relations With China

[Pak] Where did the northern policy came from? Is the ROK still maintaining it?

[Hwang] The northern policy is designed to promote exchanges with socialist states as well as with communist states. Because the ROK has presently established diplomatic relations with most socialist countries, except for North Korea, I can say that the first goal of policy toward the North has been completed. We can consider our policy toward the North in terms of two categories: The first step is to establish diplomatic relations with socialist states as well as communist states, while the second step is to maintain close relations with those countries out of national interest. We can say, therefore, that the second stage of the policy toward the North is under way now.

[Pak] There seems to be no simple way of describing the basic foreign policy in President Kim Yong-sam's time. What is the underlying principle of President Kim Yong-sam's policy toward the northern countries?

[Hwang] Regardless of whether he uses the term nordpolitik, President Kim Yong-sam was the very person who made nordpolitik possible. President Kim Yong-sam was the person who visited the Soviet Union in 1989 and opened the channel of dialogue in our frozen relations. President Kim Yong-sam had planned on visiting China following his Soviet Union visit, but had to give it up with the aftermath of the Tiananmen Square incident. President Kim's new government policy toward China is based on transforming hostile and restrained Cold-War relations into close and cooperative relations. A good example of this was witnessed recently in our cooperation with China over resolving the North Korean nuclear issue. In fact, in addition to being partners in economic cooperation and trade, the two countries are becoming important political partners. As our partner in the reunification-oriented foreign policy which we will be promoting henceforth, China may even become our most important partner.

[Pak] Former President No Tae-u sent a clear message of "nordpolitik" to China, the Soviet Union, and Mongolia. It seems that President Kim has not yet given a clear message to these northern countries since his assumption of office.

[Hwang] Whereas Former President No's nordpolitik was aimed at establishing relations with these socialist states, President Kim's "diverse foreign policy" hopes to remove discrimation to build cooperative relations with these former socialist states equal to our relations with other countries. In this sense, progress has been made on a higher level. While Former President No achieved a breakthrough by opening relations with these countries, President Kim is synthesizing our relations with former socialist states and with nonsocialist states with his "diverse foreign policy."

[Pak] Former President No visited China and met Yang Shangkun, then Chinese president, to hold ROK-PRC summit talks in China. China has not realized its president's visit to the ROK to reciprocate. Since Jiang Zemin replaced Yang Shangkun as Chinese president, what is the status of President Jiang Zemin's visit to the ROK? What are the prospects for President Kim visiting China?

[Hwang] It is the Chinese president's turn to visit the ROK. However, President Jiang Zemin replaced Former

President Yang Shangkun last April. When I visited President Jiang Zemin to present my credentials last June upon my appointment as ROK ambassador to China, President Jiang Zemin replied to my question on a possible visit to the ROK by saying: "I wish to visit your country, and we will have to discuss it." However, the Chinese Foreign Ministry's position was that President Jiang Zemin assumed office as president only last April; therefore, he will hardly be able to make an overseas visit this year. Accordingly, President Jiang may not be able to make it this year, and we hope that the ROK is the first country he visits when he begins visiting foreign countries next year. In view of customary diplomatic practice, President Kim's PRC visit will take place afterwards.

[Pak] Is not China pursuing a two-pronged formula of economic exchange with the South and political alliance with the North in its relations with North and South Korea?

[Hwang] Although our foreign policy authorities are concerned over this, we need not worry, because China is siding with us on political issues. For example, regarding North Korea's nuclear issue, China has been urging North Korea to resolve the issue with denuclearization of the Korean peninsula and through dialogue and direct negotiation between the North and the South. Furthermore, since the establishment of diplomatic relations between the ROK and China, excepting the visit to Pyongyang toward the end of last month by Hu Jintao, member of the Political Bureau Standing Committee of the CPC and North Korea's request for increased economic cooperation, there has been no political exchange between China and North Korea. We may even have to worry about worsening PRC-DPRK relations making the solution of problems on the Korean peninsula more difficult.

[Pak] What is your opinion regarding China's foreign policy of maintaining a balance in its treatment of North and South Korea following the establishment of diplomatic relations with the ROK?

[Hwang] China has been concentrating all its energy on successfully realizing its opening up and reform. This is reflected in China's foreign policy as well. China thinks that development of nuclear weapons or armed conflict on the Korean peninsula will hinder opening up and reform. Hence, China's so-called foreign policy of dealing equally with North and South Korea does not seem to be aimed at alienating the North and the South. This may be the reason why China opposes resolving the North Korean nuclear issue in anything but a peaceful manner by the United States or by the Internationl Atomic Energy Agency. What China now needs is peace in Northeast Asia.

[Pak] How are ROK-PRC aviation talks on establishing direct air routes between Seoul and Beijing progressing?

[Hwang] This may take some time, because it is related to the problem of national defense for both our countries. Since we cannot deal with the problem of control transfer point separately, the two sides may need to consider indirect routes and are trying to solve the problem with the introduction of a detour method.

[Pak] Regarding ROK-PRC aviation talks, some note that while China externally denounces the hegemony of major powers, it attempts to exercise hegemony over the ROK and Vietnam. Rejecting the 124 degree and the 109 degree east longitude line respectively set by the International Civil Aviation Organization (ICAO) as the ROK-PRC and PRC-SRV control transfer lines, China insists on moving the line by one longitudinal degree each into ROK and Vietnam airspace.

[Hwang] I do not think we can regard that as hegemonic. The PRC position seems to be that they cannot accept the line set by the ICAO for security reasons as Taiwan is a member of the ICAO. Rather than hegemony, we ought to regard it as a conflict of PRC-ROK and PRC-SRV national interests. While we also have to defend our national interests, we expect to reach agreement through normal negotiations.

[Pak] People are very interested in what will become of following the death of Deng Xiaoping, the supreme leader of China behind the scenes. What is your opinion?

[Hwang] I do not think this question is appropriate for the ambassador to China to answer. But let me tell you this. People in general are interested in whether a power struggle will develop in China after the death of the venerable leader Deng Xiaoping. But I do not think that there will be a power struggle. Implementation of Deng Xiaoping's policy of openness and reform since 1978 has brought an era of economic openness in China. Issues following the death of the venerable leader will focus on who will manage this reform and openness. I think leaders will compete in terms of their economic knowledge and experience rather than on their political line-orientation. I expect no change in the political system.

U.S. Expected To Give Yulgok Papers to Seoul

SK2408103693 Seoul YONHAP in English 0957 GMT 24 Aug 93

[Text] Seoul, Aug. 24 (YONHAP)—The U.S. State Department is expected to turn documents related to Yulgok arms purchases to South Korea through the Korean Embassy in Washington on Tuesday local time. It was learned that the documents set for delivery to Korea number about 1,500 pages in all. They had been held by U.S. Government offices.

The Seoul government had asked for these documents in an effort to ensure the accuracy of its probe into possible irregularities over Yulgok arms purchases and also to elevate reliance in Korea-U.S. cooperation in the area of defense industry. The materials are to arrive in Seoul by diplomatic pouch toward this weekend.

Daily Urges Seoul To Restart U.S. Base Relocation

SK2408105793 Seoul HANGYORE SINMUN in Korean 24 Aug 93 p 2

[Editorial: "Further Negotiation and Public Discussion on Relocation of U.S. Army Base in Yongsan"]

[Text] The demand that a foreign military base located in the center of Seoul is relocated as soon as possible is tantamount to the due self-respect of a sovereign country, and the minimum demand is that the Yongsan U.S. Army base is moved to a province. Hardly five years have passed since the ROK and U.S. Governments began discussing the relocation of the Yongsan U.S. Army base to a province. Only three years have passed since the two countries exchanged agreement memoranda on relocating the base and setting the deadline for its relocation. Yet, the plan for removing the base has been covertly called off. This is an unpleasant and shameful thing.

To begin with, an important matter of national concern such as the relocation of the U.S. Army base in the ROK has been promoted behind the scenes. We cannot but express our regret over this. The agreement memoranda on its relocation were exchanged between the governments of the two countries in 1990 and 1991. The memoranda specify that the ROK Government shall pay for the cost incurred in the relocation and that the Yongsan U.S. Army base will be moved to existing U.S. bases in Pyongtaek and Osan by the end of 1996. Upon learning these basic principles of the relocation, almost all our people were deeply impressed. We vividly remember that, upon learning the government's blueprint for building "the nation's park" at the Yongsan U.S. Army base, the government's relevant ministries and social organizations competed with one another to acquire the site. Right after the memoranda were exchanged, however, the U.S. Armed Forces authorities in the ROK insisted that the plan to relocate the Yongsan U.S. Army base should be linked to their comprehensive plan to merge and close U.S. bases in the ROK and that the U.S. Army base in Yongsan should be removed according to such a linkage principle. As a conclusion, the U.S. Armed Forces authorities said that the original plan to relocate the Yongsan U.S. Army base should be put off for four years. Thus, the U.S. Armed Forces authorities virtually annulled the agreement. The people were not informed of this at that time.

Such a demand by the U.S. Armed Forces authorities implies their intention to continue to station the U.S. Armed Forces in the heart of Seoul even in the 2000's. This concept is identical to their attempt to station the U.S. Armed Forces in the heart of Seoul semipermanently. We cannot suppress our surprise at this. The government is under a cloud because it virtually gave a tacit consent to the demand by the U.S. Armed Forces and canceled its plan to procure an alternative site in a designated area. The government misled the people by making them believe that the plan for the relocation is ostensibly going smoothly. In this way, the government made a great mistake equal to the one perpetrated by postponing the plan to relocate the Yongsan U.S. Army base.

There will be reasons why the new government came to a conclusion of virtually annulling the plan to relocate the U.S. Army base. However, we do not believe there are reasons we cannot understand. We should promptly put an end to the situation in which foreign armed forces are stationed in the South of the divided fatherland in order to prevent North-South military confrontation and to open the road to peaceful reunification. This is the most essential issue to us.

A partial revision of the relocation plan will be realistically inevitable. However, the government should depart from an easygoing stance in which it attempts to avoid public discussion on the relocation plan, to gloss over the issue, and to decide the official postponement of the relocation plan possibly at the ROK-U.S. Annual Security Consulting Meeting this year. Before it is too late, the government should quickly hold additional negotiations with the U.S. Armed Forces on the following matters: whether or not the U.S. Forces reasonably calculated the cost of relocating the Yongsan Army base, how the government will deal with the cost of the U.S. Army in the new base and the fee for the U.S. Army's use of the new base, and how the government will make the best of the agreement in which the ROK and the United States agreed on minimizing the requirement for land and cost. In this way, the government should estimate profits and losses in connection with the relocation of the Yongsan U.S. Army base. The negotiations should also cover items such as how long the United States will postpone the plan to relocate the base, what measures the government will take to get the base back after the agreement to use the new base expires—time of relocation and return of the base—and the tentative long-range plan to withdraw the U.S. Armed Forces from the ROK. We cannot stress too much the need to maintain the government's open stance of seeking the people's consensus after publicizing the plan. We cannot emphasize too much the importance of the president's correct examination of the issue and thus of harmonizing the flow of times with the environment of security.

U.S. Firm 'Confident' of Digital Cellular System

SK2008054993 Seoul THE KOREA HERALD in English 20 Aug 93 pp 3, 7

[Text] A leading U.S. communications firm, participating in South Korea's development of a digital cellular system, voiced confidence that the system can be installed as planned, dispelling doubts over the Seoul government's schedule to have its first digital cellular network up and running by 1995. "Assuming that (South Korean) manufacturers move rapidly forward, we are confident in our ability to have a commercial CDMA (code-division multiple access) cellular service by 1995," said Irwin M. Jacobs, chairman of Qualcomm, in a news conference yesterday.

The remark was apparently designed to expel reported concerns over whether the new digital system can be installed on schedule. The skepticism has been embarrassing the Communications Ministry, which is pushing the plan to meet the rising demand for a cellular service.

A high-ranking ministry official confirmed yesterday that two of the four domestic equipment makers participating in the development project—namely Samsung and Goldstar—are "not so enthusiastic about the project." The ministry announced in June that the government will license a second mobile phone network early next year to start services by the end of 1995, using CDMA technology—a new type of digital technique patented by Qualcomm.

Qualcomm is working with the government's Electronic Telecommunications Research Institute and domestic manufacturers to help install a digital cellular system based on its CDMA mode. When he met with Communications Minister Yun Tong-yun earlier yesterday, Jacobs was quoted as saying that his company might have to seek out foreign equipment makers to replace the two reluctant South Korean firms, according to the ministry official.

When the Seoul government revealed its plan for a second cellular network in June, it withdrew from its earlier decision to adopt analog and said it had opted to become an early starter in digital technology. "We believe that the government's decision to go directly to digital has embarrassed the two companies, which had made huge investments for the analog market," another ministry official said.

Jacobs told the news conference that the South Korean government's plan to install a second mobile communications system based on digital technology by 1995 is consistent with the cellular buildup in the United States. Although there is still debate over several systems, he said, "more and more manufacturers and operators are leaning toward CDMA... and we have seen a great momentum toward CDMA recently."

The move toward this new technology has already begun in the U.S. market, with three major operators—US West, Pactel, Bell Atlantic—having already ordered equipment to begin their transition to digital, he said. "We expect additional installation of CDMA equipment throughout 1994 and there will be major commercialization by U.S. operators in 1995," he said.

The Qualcomm chairman is here for talks with government officials and manufacturers over the government's adoption of CDMA—a new breed of digital transmission technology that he calls a very modern system for providing mobile and other wireless communications. The existing cellular system is based on analog technology, which the government has sought a switch to digital to relieve service problems in urban areas where too many subscribers often try to get on the airwaves at the same time.

By converting the human voice into a computer code, the digital system can boost capacity enormously. A CDMA switching system breaks a digitized call into segments called "packets," and then assigns a code to each segment. These packets are intermingled with packets from other calls and sent over several radio channels. At the receiving end, the packets are reassembled according to their codes. This process boosts capacity up to 20 times more than conventional analog, technicians say.

Jacobs said the government's choice for CDMA was an important one because it avoids the costs of first having an analog system and then moving to a modern digital system. "This is also important because it allows the Korean customer to benefit from the lower cost of the system, reflected in the lower user cost," he said. He said the licenses Qualcomm works with should be potentially very good business. "CDMA is the right technology for the next decade and beyond" because it enables a modern communications system that can support various services that will come on the market in the future such as the go-anywhere personal communications service (PCS).

CDMA supports the largest number of users on the available frequency spectrum, provides a high quality of service and uses the least amount of power, he said. In addition, he said Qualcomm is deciding on royalty rates "quite lower" than other technologies in order to ensure that the new technology can be adopted by manufacturers worldwide. Manufacturers will pay a certain portion of their net sales profits as royalty charges, he said.

UN To Meet on Environmental Technology Transfer

SK2308031093 Seoul YONHAP in English 0239 GMT 23 Aug 93

[Text] Seoul, Aug. 23 (YONHAP)—A working-level conference to discuss the transfer of environment-related technology from advanced countries to developing countries will be sponsored by the United Nations early next year, Foreign Ministry officials said Monday. The U.N. Commission on Sustainable Development is responsible for the conference, which 20 countries will attend. Two of the countries will both represent 10 regions.

A preparatory meeting Nov. 2-4 in Colombia will discuss specific ways of transferring environment technology, economic measures and policies for boosting technology transfer and forming a network for cooperation on technology transfer. The South Korean Government's position is that the means of transfer should differ according to the owner—whether a public organization has the technology or a private company.

Technology owned by a public organization should be transferred without condition and smoothly between governments, which should give incentives to technology owning companies to support transfer, a ministry official said. "The working level conference has a meaning in that it is the first channel to boost environment technology transfer between advanced countries and developing countries," the official said.

Kim Not To Attend UN General Assembly Meeting

SK2308052293 Seoul YONHAP in English 0247 GMT 23 Aug 93

[Text] Seoul, Aug. 23 (YONHAP)—South Korean President Kim Yong-sam will not attend the United Nations General Assembly [UNGA] this September, contrary to reports, Presidential Secretary Yi Kyong-chae said on Monday. "The United Nations wanted the president to attend and deliver a speech, but he decided not to attend the UNGA because he has a lot of work to do here," Yi said.

Yi also said that Kim had made no decision on a possible visit to the United States. "Whether or not he will attend the summit of the Asia-Pacific Economic Cooperation to be held in Seattle in November has not been decided either," Yi said.

Official Views Japan Socialist Party Head's Visit

SK2208045193 Seoul CHOSON ILBO in Korean 22 Aug 93 p 4

[Article by Pak Tu-sik from the "News Behind News" column]

[Text] Regarding the ROK visit of Sadao Yamahana, chairman of the Japan Socialist Party [JSP], a Foreign Ministry official said that "one cannot ban exchanges between political parties," thus showing an attitude of having to approve [yongin hada] Yamahana's visit to the ROK as a matter of fact. However, he stressed that "his visit does not mean a change in our government's position toward the JSP."

The relevant Foreign Ministry official said: Although we hear that the JSP is working on revising the party's charter, it is still maintaining the pro-North Korea line on issues such as the 1987 blasting of the Korean Airline civilian aircraft by Kim Hyon-hui, the terrorist act in Rangoon, and the North Korean nuclear problem. This official also stated: "Although Chairman Yamahana wants to visit the ROK, I feel like asking him first about his position on these issues."

Decree on 'Real-Name' Financing Causes Confusion

SK2408013393 Seoul THE KOREA TIMES in English 24 Aug 93 p 9

[Text] The financial market is confused over different interpretations among government agencies of the presidential emergency decree on the real-name financial transaction system. The main culprit amplifying the confusion is the Office of National Tax Administration [ONTA], which failed to provide clear- cut guidelines. It said it will not trace the source of funds on "normal financial transaction." But many people are still suspicious of ONTA's ambiguous and arbitrary attitude.

The Korean Tax Office yesterday sent another dark cloud over the financial community by saying that it will check not only senders but also receivers of foreign currencies of more than 3,000 dollars per case. ONTA's position is in direct conflict with the announcement made by the Finance Ministry last week. The MOF [Ministry of Finance] said, "The measures for preventing possible capital flight to evade obligations under the real-name system will be implemented in such a way as not to affect the normal external transactions of corporations and individuals."

The MOF also said "although the minimum size of the donation-related remittance to be reported to the tax office was lowered to 3,000 dollars from 10,000 dollars, there is no restrictions on the amount of remittance and ordinary remittance will not be subject to examination by the tax office." When such confusing interpretations are made by different government agencies, analysts said the general public will prepare for the worst scenario.

Many critics say the presidential decree on the real-name system was formulated by the tax bureau of the Finance Ministry. The MOF's tax bureau has a tendency to regard everybody as "a crook or suspect," or those who always try to seek ways of saving or evading taxes.

The banking, securities and insurance bureaus of the ministry were excluded from the formulation of the emergency decree. Thus the presidential decree has put too much emphasis on tracing the source of funds without due regard on what negative effects will arise in the financial market when the decree was prepared.

The Board of Audit and Inspection [BAI]—the state audit agency under the direct control of the Chief Executive—is also stirring confusion in the financial market. The BAI indicated that it will revise its law so that it can directly trace accounts of those who are suspected of having made illegal deals with government agencies. This may infringe upon the rights of the confidentiality or privacy of the general public even before those suspects are determined to have committed criminal acts, analysts said.

Under the presidential emergency decree, information on financial transactions will be made available only to those who hold court-issued writs, tax officials investigating financial transactions in accordance with the pertinent laws, those who supervise financial institutions or when it is required to open the files pursuant to relevant laws. The demand for information about financial transactions, even in those cases, must be submitted in documents to individual bank branches to prevent possible abuse. Otherwise financial institutions can reject the demand for information disclosure.

Although secret investigation of government officials may be inevitable, critics say the BAI may abuse its own rights and infringe upon the privacy of the people when laws and regulations do not exactly specify to what extent it will be given authority to trace accounts of government officials and the general public, critics said. Even BAI's hint of revising its own charter was enough to send a confusing signal to the financial community when the general public is "nervous" over any hint of government action these days.

Currently, the BAI can check deposit accounts through cooperation from the banking regulatory agency, the Office of Bank Supervision. Financial institutions are also differently interpreting the presidential decree.

A housewife complained that she received different interpretations on the same issue when she went to different banks to withdraw money. She said "One bank advised me of delaying my withdrawal in an attempt not to lose a client. The bank said tax officials are watching your accounts. But the other bank said I am free to withdraw money." She said it is really confusing.

Government To Gradually Lower Taxes in 1993

SK2408023893 Seoul THE KOREA TIMES in English 24 Aug 93 p 1

[Text] Finance Minister Hong Chae-hyong indicated yesterday that the government will gradually lower taxes this year in a move to offset the increase in tax revenues arising from the implementation of the real-name financial transaction system. He said he will soon consult with Deputy Prime Minister Yi Kyong- sik to finalize to what extent the government can trim tax this year.

Hong told reporters that the government will not consider one-shot drastic cut in taxes, adding that the tax reduction will be made marginally each year, for example by one to two percent each year in keeping with the increase in tax revenues. He did not specify what taxes will be subject to cut this year. he said, however, income tax for the salaried persons will not be reduced. The Finance Ministry will consult with the ruling party on September 1 to finalize the government's tax cut program. MOF [Ministry of Finance] officials said no decision has been made as to what extent the government will lower taxes, adding that it is premature to say what kinds of taxes will be lowered.

But speculation is high that the government may lower corporate tax by 1-2 percentage points. Gift and inheritance taxes, currently set at a maximum rate of 55-60 percent, may be lowered by 5 percentage points.

In a move to help smaller firms and self-employed persons, the government may apply exemption of value added tax to those whose yearly revenues are less than 36 million won, sources said. The government had been struggling to cope with the slow collection of tax this year due to sluggish economy. But with the implementation of the real-name system, the government is expected to collect unexpected amount of taxes due to the bulk of the underground economy which will be brought to light, many analysts said.

Navy To Lift Ban on Fishing in Restrictive Zone

SK2408023593 Seoul THE KOREA TIMES in English 24 Aug 93 p 3

[Text] The Navy will lift the ban on fishing in the restrictive fisheries zone to the greatest possible extent beginning next month, Navy sources said yesterday. Areas where a fishing ban is still "inevitable" for military reasons will, however, remain as they are now, they said.

The Navy measure will affect some 60,000 pyong of sea off Chinhae, Kyongsang-namdo [South Kyongsang Province], where the Navy Headquarters is located, and waters around Yonpyong-to and Taechong-to Islands in the West Sea. The Navy has banned fishing in zones for military operations, so far.

The lifting of the fishing ban is expected to greatly help fishermen based in the Chinhae area, who are now suffering serious financial problems due to decreasing haul and the slump in export of clams. Early in April, the Navy lifted the restrictions on fishing in waters off Cho-to, which had been used as a summer resort for former presidents such as the late Pak Chong-hui and Chon Tu-hwan.

The Navy is also examining a plan to change the current "special sea area" in the East Sea as a general sea area for free fishing. Fishing is allowed only for boats registered with the related authorities in the special sea zone.

Brunei, Malaysia & Singapore

Brunei

Diplomatic Ties Established With Laos

BK2008060293 Kuala Belait THE BORNEO BULLETIN in English 28 Jul 93 p 1

[Text] Brunei Darussalam and the Lao People's Democratic Republic have established diplomatic relations, it was announced yesterday.

According to an official Foreign Ministry announcement, the Government of His Majesty the Sultan and Yang Di-pertuan [Ruler] of Brunei Darussalam and the Lao People's Democratic Republic in conformity with the interests and desire of the two peoples have decided to establish diplomatic relations between the two countries at ambassadorial level from 27 July 1993.

Sultan Declares 200-Mile Exclusive Economic Zone

BK2308053593 Kuala Belait THE BORNEO BULLETIN in English 26 Jul 93 p 1

[Text] His Majesty the Sultan and Yang Di-pertuan [Ruler] of Brunei Darussalam has made a proclamation declaring Brunei's exclusive economic zone, the Ministry of Law announced over the weekend.

In a press release, the ministry said:

"The boundaries of the exclusive economic zone are identical to the boundaries of Brunei Darussalam's fishery limits which were declared in 1983. These are based on the separate orders in council made by Great Britain in 1958 defining the lateral maritime boundaries up to the 100-metre mark between Brunei Darussalam and North Borneo (Sabah) and Brunei Darussalam and Sarawak.

"The lateral lines established by these two orders in council are extended in parallel towards the median line between Borneo and mainland Asia up to 200 miles to define the frontal limits of the zone in conformity with the United Nations Convention on the Law of the Sea.

According to the proclamation, Brunei Darussalam has to the extent permitted by international law sovereign rights for the purpose of exploring, exploiting, conserving, and managing natural resources, both living and non-living, of the seabed and subsoil and superjacent waters.

"Brunei Darussalam will have jurisdiction with regard to the establishment and use of artificial islands and installations and structures, control of marine scientific research, and the protection and preservation of the marine environment," the press release added.

Under the Continental Shelf Proclamation of 1954, Brunei Darussalam already enjoys rights by virtue of international law to areas of continent shelf beyond the limits of the exclusive economic zone.

Malaysia

Mahathir's Visit to Thailand Reviewed

BK2308094993 Kuala Lumpur Voice of Malaysia in English 0800 GMT 23 Aug 93

[Station commentary]

[Text] Dr Mahathir Mohamed's official visit to neighboring Thailand last week is a demonstration of the close ties that exist between the two countries. Both Malaysia and Thailand are setting new records in industrial output and in external trade. They have both come a very long way compared to the primary producing economies they have had 40 years ago. It is precisely in view of their economic success that they ought not to make the wrong decisions.

Dr Mahathir, in his address to the Thai business leaders, spoke frankly about the free trade ideology. He sees immense all-round benefits for ASEAN societies provided they jointly bring down tariff barriers. He foresees also the value of ASEAN members opening their markets freely to one another's goods. No one can deny the pragmatic approach in their liberal trade policy that Prime Minister Dr Mahathir is advocating. The history of the world is full of examples of failures and economic ills brought about by restricted trade practices. The theme of Dr Mahathir's speeches and interviews during the Thailand mission was competition. In the past, it was customary for governments to provide protection for their own citizens engaged in industrial enterprises. Very often the protection from competition from outside trends was taken for granted. Eventually, the domestic industries became too inefficient. The domestic consumers suffered as they had to buy the local protected product and not the better quality foreign product. It is vital that ASEAN members should not make the mistakes of the advanced nations. The goal of the ASEAN Free Trade Area by the year 2008 is a realistic objective. Malaysia would certainly work hard to bring this idea into a dynamic reality.

Economic issues figure prominently in Dr Mahathir's four-day stay in Thailand. But other bilateral matters were also on the agenda. Indeed, a high degree of cooperation and coordination of activities mark the relations between Malaysia and Thailand. Tourism, the railway link, control of smuggling, the drug trafficking problem and similar issues are dealt with on the basis of mutual support and understanding. If that solidarity of outlook had not been present in either Malaysia or Thailand, they could not have (?dealt) with the communist subversion and insurrection of the 1950s and 1960s.

All who know of Malaysia and Thailand will agree with Dr Mahathir and his perceptions about great potentials for the two nations. We can, therefore, confidently look forward to more joint venture projects in resource developments. Together, Malaysia and Thailand will rise to greater heights and remarkable achievements.

Thai Air Force Chief Pays 'Farewell' Visit

BK2008115193 Kuala Lumpur BERNAMA in English 1037 GMT 20 Aug 93

[Text] Kuala Lumpur, Aug 20 (OANA-BERNAMA)—Royal Thai Air Force [RTAF] Commander-in-Chief Air Chief Marshal Kan Phimanthip Friday visited the Defence Ministry here as part of his farewell tour of the region.

Accompanied by about 10 senior RTAF officers, Air Chief Marshal Kan called on his counterpart General Abdul Ghani Aziz, the acting Chief of Defence Forces General Borhan Ahmad and Defence Ministry secretary-general Kamaruzzaman Shariff.

He earlier inspected a guard-of-honour mounted by 110 officers and men of the RMAF [Royal Malaysian Air Force) headed by Major Kamaruddin Abdullah.

Air Chief Marshal Kan, who arrived here Friday, leaves for Singapore Saturday.

The air forces of both countries conduct annual air exercises in their common border region and RMAF pilots also train at the combat firing range in Korat, northeastern Thailand.

'Red Tape' Said Hindering Chinese Tourists

BK2008095793 Kuala Lumpur BERNAMA in English 0708 GMT 20 Aug 93

[Text] Kuala Lumpur, Aug 20 (OANA-BERNAMA)—The Malaysian Association of Travel and Tour Agencies (MATTA) claimed on Friday that government red tape was driving away thousands of potential Chinese tourists, resulting in the loss of millions in tourist dollars to neighbouring countries.

MATTA, which represents more than 500 of the 1,800 registered travel and tour agencies in the country, claimed that more than 25 per cent of the tourists had to cancel plans to visit Malaysia because their applications for travel visas were turned down by the government.

Last month, Malaysia recorded 10,000 arrivals from China.

MATTA president Ahmad Kamil Abdullah told reporters here although Prime Minister Dr. Mahathir Mohamed announced the relaxation of visa application procedures for Chinese tourists wishing to visit Malaysia for travel and tours during his visit to China in May authorities concerned had yet to implement the policy.

He said the Malaysian Embassy in Beijing had circulated a guideline to travel agents in the republic indicating that tours from China to Malaysia could only be handled by Malaysian travel agents registered with the Home Affairs Ministry. There are about 30 such agents in Malaysia.

Expressing unhappiness over the embassy's action, MATTA questioned the logic of the guideline.

New Federal Minister for Sabah Affairs Sworn In

BK2008070893 Kuala Lumpur Voice of Malaysia in English 0600 GMT 20 Aug 93

[Text] Tun Datu Mustapha Datu Harun has been sworn in as minister of Sabah affairs before the king, Sultan Azlan Shah. Deputy Prime Minister Ghafar Baba, Lord President Tun Hamid Omar, Parliament Speaker Tan Sri Zahir Ismail, and the chief secretary to the government, Tan Sri Ahmad Sarjee Abdul Hamid, attended the ceremony. Tan Sri Ahmad Sarjee said arrangements were being made for Tun Mustapha, 75, to have an office in the Prime Minister's Department. An office will also be provided for him in Sabah. Mr. Ghafar said now that Sabah is under opposition rule, it needs a federal minister to give attention to its development.

Tun Mustapha was appointed by Prime Minister Datuk Sri Dr. Mahathir three months ago, but the swearing-in was delayed by a constitutional provision which barred a state assemblyman from holding a federal ministerial post. Last month, Parliament passed an amendment to the Federal Constitution which provides that a state assemblyman appointed a federal minister need not vacate his seat. Tun Mustapha is a member of Parliament from Limbawang and a state assemblyman for Usukan.

Anwar on Candidacy for UMNO Deputy Presidency

BK2308053193 Kuala Lumpur BERNAMA in English 0452 GMT 23 Aug 93

[Text] Kuala Lumpur, Aug 23 (OANA-BERNAMA)—Finance Minister Anwar Ibrahim Monday announced his decision to contest for the post of UMNO [United Malays National Organization] deputy president in the party elections in November.

The announcement by Anwar, who is one of five vice presidents, ended months of speculation about whether he would challenge incumbent Ghafar Baba, who is deputy prime minister.

UMNO, the United Malays National Organisation, is the main component party in the ruling National Front coalition.

Supreme Council members, state UMNO liaison chiefs, UMNO youth and wanita (women), and Executive Council members were among the leaders who crammed the venue in a show of support for Anwar.

Anwar said he decided to offer himself to serve as deputy president at the urgings of UMNO colleagues and leaders at all levels and to continue the party struggle to lift the standing of the Malays and Malaysian race through the achievment of Vision 2020.

Economy Grows 8.1 Percent in First Quarter

BK2308091193 Kuala Lumpur Voice of Malaysia in English 0600 GMT 23 Aug 93

[Text] The Malaysian economy remained strong in the first quarter of this year with the real gross domestic product, GDP, growing 8.1 percent. This compared with 7.1 percent in the last quarter of 1992 and 8.9 percent in the first quarter of 1991. Bank Negara [Central Bank] in reporting this said the relatively strong growth was mainly the result of a revival in manufacturing output as well as continued growth in construction and services. Both export- oriented and domestic market-oriented industries grew strongly.

Singapore

Malaysian Defense Chief Calls on Premier Goh

BK2308120593 Singapore Singapore Broadcasting Corporation in English 1100 GMT 23 Aug 93

[Text] The visiting Malaysian Armed Forces Chief of Defense Forces called on the prime minister, Mr. Goh Chok Tong, at the Istana [palace].

This is General Tan Sri Abdul Rahman bin Haji Abdul Hamid's first official visit to Singapore since he took office in March this year. Gen. Abdul Rahman also called on the defense minister, Dr. Yeo Ning Hong, and also held talks with his Singapore counterpart Major General Ng Jui Ping.

Singapore Democratic Party Politician Expelled

BK2308061593 Singapore BUSINESS TIMES in English 21-22 Aug 93

[Text] Singapore—The Singapore Democratic Party (SDP) has expelled its former secretary general Chiam See Tong, a move which would cost the Potong Pasir MP his seat in Parliament.

But Mr. Chiam, who founded the party in 1980, is challenging the decision of the SDP Central Executive Committee (CEC) in court if necessary. The 58-year-old lawyer yesterday dismissed the expulsion as invalid because the CEC has acted "personally" and "against the will" of the party cadres.

"The CEC has no legal authority to sack me from the party while the authority of the leadership is being questioned by the cadres," said Mr. Chiam, who resigned as party chief in May after a squabble with CEC members and has since criticised the leaders in public.

A party source said 24 SDP cadres last night sent a petition to acting SDP secretary general Chee Soon Juan calling for a special party conference with three resolutions: to table a motion of no-confidence in the leadership; reelect the CEC, dispute the legality of the sacking of Mr. Chiam, and to ask for it to be retracted.

The 24 cadres signed the letter at a meeting late last night at Mr. Chiam's house with indications of obtaining another six cadres' signatures, said the source. The SDP has a total of 52 cadres.

According to Mr. Chiam, who received the letter of expulsion signed by Dr. Chee yesterday afternoon by local urgent mail, the move to sack him was not a unanimous CEC decision. Of the 13 CEC members, Ms. Toh Kim Kiat had disagreed and another was "forced" into it, said Mr. Chiam.

In a press statement yesterday, the SDP CEC said it is expelling Mr. Chiam in the interests of the party for his "continued refusal to abide by the party constitution," his "breaches of party discipline," and his "failure to honour his pledges and undertakings."

The CEC said it "unanimously" found at a party disciplinary hearing on August 6 Mr. Chiam's explanation for his conduct unacceptable.

Mr. Chiam had, the CEC noted, in public statements attacked the SDP leaders for not sharing his vision of a two-party system; lacking credibility as they had amongst them members with a criminal record, citing party vice chairman Wong Hong Toy; lacking discipline, citing Dr. Chee's recent hunger strike; being driven by self-interests in employing party members in town councils; opposing the central control of town councils.

In a point-by-point rebuttal, the CEC said:

It has "always endorsed the need for a strong opposition," with the aim of being an alternative to the People's Action Party;

It was Mr. Chiam himself, with full knowledge of Mr. Wong's conviction, who had brought Mr. Wong into the party, and that the conviction in any case had been criticised by the Privy Council in London.

Mr. Chiam had previously defended Dr. Chee's hunger strike in and outside Parliament.

Mr. Chiam was the first SDP MP to employ party and CEC members in town councils and only began to oppose the practice when other SDP town councils emerged and that he forbade the discussion of Potong Pasir Town Council matters at CEC meetings in 1989.

Mr. Chiam originally declared he was resigning as secretary general because the CEC had lost confidence in him and only gave other reasons later.

The CEC also noted that Mr. Chiam had said their differences were "irreconcilable."

Mr. Chiam last night countered and dismissed the points raised in the CEC statement, adding that the Aug. 6

disciplinary hearing was "improper" as the CEC was biased and already had it in mind to expel him.

He maintained that he has not acted against SDP's interests. Rather, in seeking to get rid of him, an incumbent MP, the 12 CEC members are the ones "most guilty of acting against the interests of the SDP," he said.

Cambodia

Japanese Envoy: Hosokawa To Visit in Mid-Sep

BK2408065593 Phnom Penh AKP in French 0342 GMT 24 Aug 93

[Text] Phnom Penh, 24 Aug (AKP)—The Japanese ambassador to Cambodia, Yukio Imagawa, has disclosed that Japanese Prime Minister Morihiro Hosokawa will pay an official visit to Cambodia in mid September.

At a meeting on 21 August with Prince Norodom Ranariddh, cochairman of the Provisional National Government of Cambodia, the Japanese diplomat talked about the issue of bilateral cooperation, especially Japan's aid for the reconstruction of the 50-km 6A route and the Chroy Changva bridge and for the restoration of generating and distribution facilities in Phnom Penh and some provinces.

The dialogue also focussed on an international conference on the reconstruction of Cambodia to be held in Paris on 8 and 9 September. Prince Norodom Sirivut, minister of foreign affairs and international cooperation, will take part in the conference.

Prince Norodom Ranariddh asked Japán as well as the United States to provide material aid for the reconstruction and also to organize technical training courses for the Cambodian National Armed Forces.

On the problem concerning the Khmer Rouge, the prince reaffirmed that the door is still open for them to be included in the new unified army and that they will receive an advisory role, except for the right of veto.

Ranariddh Views Problems With Khmer Rouge

BK2308135293 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1200 GMT 22 Aug 93

[Address by Prince Norodom Ranariddh, cochairman of the Provisional National Government of Cambodia in Phnom Penh on 22 August—recorded]

[Text] Greetings to the two supreme patriachs, revered clergy, and beloved compatriots:

Today, in my own name and on behalf of His Excellency [H.E.] Hun Sen, cochairman of the Provisional National Government of Cambodia [PNGC], co-minister of national defense, and cocommander-in-chief of the Cambodian National Armed Forces [CNAF], I would like to ask for permission to inform the clergy, prince, excellencies, ladies, and gentlemen, and compatriots about a number of events relating to the interest, destiny, and life of our people and nation.

As all of you know, following the general election organized by the UN Transitional Authority in Cambodia, our beloved motherland has reached a new phase in the nation's history, that of national reconciliation and unification under the clear-sighted and correct leadership of our respected and revered Prince Father, His Royal Highness Prince Norodom Sihanouk, head of state, and chairman of the Supreme National Council [SNC], who is the father of national reconciliation and liberal democracy, and the only outstanding leader of our Cambodia. The constituent assembly, born of the Cambodian people's will through the recent general election, is actively working in the supreme interests of the Cambodian people and nation.

The PNGC, with H.E. Hun Sen and myself as cochairmen, was set up with an appropriate work program to lead and administer Cambodia during the transitional period in accordance with the desire and wish of the prince head of state. The armed forces of the former three signatories who implemented the agreement have agreed to combine themselves and set up a single Cambodian national army with the Prince Father as supreme commander.

Since its birth, the PNGC has worked tirelessly for the benefit of the nation and people. It has faced major problems and many complex difficulties in the political, economic, social, and cultural fields, and in the maintenance of security, stability, and order for the Cambodian people and society, and so on. The PNGC has actively overcome these diffficulties and fulfilled its tasks based on the principle of close cooperation among all sides taking part in the government, particularly between the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party and the Cambodian People's Party [CPP].

Based on this fine cooperation, the PNGC is energetically carrying on its work and overcoming obstacles and difficulties. Looking at the preliminary results of its efforts, our PNGC is optimistic and is looking forward to the future, firmly believing in its steps along the path toward definitive peace and security, stability, national unification, and national reconciliation, along with the rehabilitation and construction of our Cambodian motherland.

However, there is one matter that is very regrettable. Along with the PNGC's immense efforts to solve the major problems left over by war, which has been dragging on for more than two decades, one side, the Democratic Kampuchea-Khmer Rouge side, which is also a signatory of the 23 October 1991 peace agreement, has not yet aligned itself to return to the peace process and national unification despite repeated appeals and sweet words from the revered Prince Father as well as from the PNGC.

In his statements, the leader of the Democratic Kampuchea-Khmer Rouge side uses the words peace, patriotism, national reconciliation, and national unification; he talks about following the Prince Father, and even accepts the election results. However, in practice, this side has not abided by its words. Furthermore, this side continues to spread propaganda using the old language and doctrine it has used in the past with the aim of producing cracks in the foundation of national unification and the useful cooperation which is taking place in the Cambodian society and nation.

More dangerous still, we have noted that following the election, despite the existence of the constituent assembly and the PNGC, the Democratic Kampuchea-Khmer Rouge side, on the battlefield, has been trying to send and infiltrate increasing numbers of troops with weapons and ammunition into the country. They have been trying to pressure, threaten, and successively attack the CNAF, and also seize a number of the PNGC positions, including economic and cultural targets. This has caused instability, danger, and serious damage to the life and property of innocent people: for example, the attack on trains, the blowing up of railway track, bridges, and roads with mines, and the attacks to seize the Preah Vihear temple area and the border checkpoint.

Furthermore, a large number of the Democratic Kampuchea-Khmer Rouge troops have been dispatched in an attempt to seize and control the Angkor Wat temple area, to seize Preah Vihear Province, and to put pressure on a number of areas, such as the Tonle Sap zone and the area around Phnom Penh, and Son. These activities by the Democratic Kampuchea-Khmer Rouge side have caused great concern among the Cambodian people. The PNGC has been very preoccupied with this.

However, despite all this, firmly adhering to a policy of national reconciliation and national unification formulated by the Prince Father, who is highly revered by the entire Cambodian nation, the PNGC has been very patient and has adhered to a peaceful policy toward the Democratic Kampuchea-Khmer Rouge side to provide the latter with opportunity to return and join the Cambodian society and nation like Cambodians all over the country.

The PNGC has a genuine stance of goodwill toward the Democratic Kampuchea-Khmer Rouge side and has left the door open for their contributions. However, to this day, this side has no reason to impose conditions on the PNGC. The Democratic Kampuchea-Khmer Rouge side is under obligation to hand over its troops and administrative areas to the national government and put an end to all military attacks against national government forces. This is the responsibility the Democratic Kampuchea-Khmer Rouge side has to fulfill regarding the government without any negotiation. The PNGC has been exercising patience and restraint over a fair length of time to make the Democratic Kampuchea side understand this.

Finally, on 8 August, I myself went to see H.E. Khieu Samphan in Bangkok but did not achive any positive results. The leader of the Democratic Kampuchea-Khmer Rouge side did not in the least understand the good intention of the PNGC. The leader of the Democratic Kampuchea-Khmer Rouge side rejected my two proposals, which were very undemanding ones.

First, I proposed that the Democratic Kampuchea side stop raising the issue of the quadripartite army because we no longer talk about sides. We have a unified national army whose official name is the CNAF. This is a brilliant symbol of Cambodian national reconciliation. This Cambodian national army is under the sole command of our revered Prince Father in his capacity as CNAF supreme commander.

The second proposal which was also rejected by the Democratic Kampuchea-Khmer Rouge side was my proposal to put an end to armed attacks against the positions of the national army, the blowing up of roads and bridges with mines, and the massacre of innocent people. Furthermore, H.E. Khieu Samphan, leader of the Democratic Kampuchea side continues to talk about the old doctrine by using such words as puppet government, quadripartite army, or army set up or propped up by Vietnam.

In sum, despite the efforts and patience of the PNGC, the leader of the Democratic Kampuchea side still sticks to an intransigent position in accordance with this side's strategy of using open and secret methods combining military and political means aimed at implementing its long-term strategy.

The PNGC holds that if the Democratic Kampuchea side is allowed to continue these hostile activities, insecurity will drag on and the PNGC will lose the confidence of the people, who are the owners of the ballots in the general election last May.

Faced with such a situation, as the one responsible for the life and the destiny of the people and the nation, the PNGC has no other choice but to take firm measures to actively exercise its right of self-defense and to ensure peace and security for the people in accordance with the work program presented to the people's representative assembly on 2 July.

Therefore, although the national army has recently been set up, it has not yet been well organized, and so the government has had to use some units to carry out military operations to seize and mop up Democratic Kampuchean forces and has achieved some results worthy of praise, for example in Stoung District in Kompong Thom Province and the Phnum Chhat area in Thmar Puok District, Banteay Meanchey Province.

Thousands of weapons and a lot of ammunition were seized. Thousands of members of the Democratic Kampuchea side have surrendered to the PNGC. A large number of compatriots in the Democratic Kampuchea side laid down their weapons and returned to live as citizens in accordance with liberal democracy in Cambodia.

The PNGC uses not only military means. We have issued appeals to officers and men of the Democratic Kampuchea side by pledging to protect and provide rights, freedom, and benefits, and even offering ranks and allowing in the Cambodian national army. These compatriots have awakened and deserted the Democratic Kampuchea side's army and have returned to live with our Cambodian society and nation. For officers and men of the Democratic Kampuchea side, including their families, who were captured or who surrendered on the battlefield, the PNGC will adopt a correct policy toward them based on the principle of respect for human rights and humanitarianism.

The good cooperation within the Cambodian national army in the recent military operations was another new good step in the national unification process in Cambodia. Due to this courageous military operation, the current tense situation has been reduced by a significant degree, for example in Kompong Thom, Siem Reap, and Banteay Meanchey Provinces. The confidence of the Cambodian people in general in the PNGC has been raised

Therefore, we are not warmongers. We only carry out the duty the people have handed us based on their confidence in us. I would like to stress that the PNGC is efficiently carrying out its work in administration and the management of state authority, the armed forces, the national army, and the national police. The national army exercised the right to self-defense in order to ensure peace and security for the Cambodian people. This is the task of the PNGC and not an interference by foreigners.

On this occasion, in my own name and on behalf of H.E. Hun Sen, PNGC cochairman, cominister of national defense, and CNAF cocommander-in-chief, I would like to appeal to local and foreign public opinion for understanding and justice and for assistance and support for the PNGC's activities for the precious cause of national unification and peace and security in Cambodia.

I would like to convey my wishes to the prince, the clergy, and all respected and beloved compatriots, particularly officers and men of the Cambodian national army who are courageously and valiantly carrying out duties on various battlefields. May they enjoy the five Buddhist blessings of longevity, social prestige, happiness, strength, and enlightenment.

Khmer Rouge Radio Views Phnum Chhat Offensive

BK2308060993 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 22 Aug 93

["Report on the campaign conducted by the entente and the Vietnamese and their puppets at Phnum Prak village in the Phnum Chhat area"—date not given]

[Text] Of late, various radios and opinions have talked a lot about the campaign conducted by the entente, the Vietnamese, and the Vietnamese puppets at Phnum Prak village in the Phnum Chhat area. They have made vigorous and clamorous comments on the incursion in line with their views, policies, and strategies. Regarding this issue, our opinion on the military, political, diplomatic, and economic aspects of the campaign's cause, impact, and process is as follows:

I. Objective of the campaign: Each military, political, diplomatic, economic, or religious campaign has its own political objective. As for the military campaign against Phnum Prak village in the Phnum Chhat area, it has military, political, diplomatic, and economic objectives. Militarily, the objective is to smash to pieces the military structure and position seen from a distance—they thought that the military base was the main and important position of Democratic Kampuchea [DK]. Politically, they used military means to divide the national forces and to forcibly include some national forces in the military structure of the Vietnamese puppets with the aim of pooling forces to attack DK forces. Diplomatically, the objective was to destroy national reconciliation and sabotage a roundtable meeting that His Royal Highness [HRH] Prince Norodom Sihanouk, head of state, has initiated in order to solve the two-point proposal put forth by the Party of Democratic Kampuchea [PDK] on 13 July 1993. And economically, they intended to decimate what is called the PDK's most important resupply center in the Phnum Chhat area.

II. Organization of the campaign: To achieve the aforementioned objective of the campaign, troops and methods were well organized:

1. The organizers of the campaign were the entente that includes some Western superpowers—especially Australia; America; France; [Yasushi] Akashi [UN Transitional Authority in Cambodia, UNTAC, chief]; [General John] Sanderson [UNTAC commander]; the Netherlands; UNTAC officials stationed in Thmar Puok and Boeng Trakuon; and the Vietnamese aggressors. They determined the goal of the campaign against Phnum Prak village in the Phnum Chhat area.

2. They had difficulties in marshalling troops to launch the campaign because troops were scarce. On the one hand, the Vietnamese aggressor forces were in hiding and only able to launch covert activities from behind; and on the other, some Vietnamese puppet forces were dispatched to or scattered on various battlefields while others deserted or got stuck in Siem Reap, Kompong Thom, Battambang, and other battlefields. This showed that the masterminds faced a shortage of troops to conduct the campaign—they did not have enough troops to successfully launch a ground attack on Phnum Prak village in the Phnum Chhat area.

3. This was why they envisioned the following two methods:

A. They used the Vietnamese puppets' heavy guns—including various types of cannons and multiple rocket launchers—and tanks as their main forces.

B. They painstakingly mustered the forces of ANKI [National Army of Independent Cambodia] and Dien Del [chief of staff of the Khmer People's National Liberation Army] and other existing Para [noncommunist] troops in Thmar Puok, Ampel, and Sisophon Districts and employed them as guiding and political forces to tarnish and divide the national forces.

It is worth noting that in mustering the tripartite coalition front's national forces in the Thmar Puok, Ampel, and Sisophon areas, the entente did not let top leaders of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and leaders of other Para forces know about that. It contacted the local commanders directly.

4. As it was not able to muster the forces politically, the entente resorted to using money through various methods:

A. It gave an amount of dollars to high-level leaders to shut their mouths.

B. It paid commanders of some armed units to agree to conduct the campaign.

C. It promised to pay those involved in fighting in riels, baht, or dollars. It lied about paying them $80, $100, or $120 and so on.

Through propaganda, it was able to gather some stupid people including more than 100 paratroops from the so-called 2d and 33th Divisions.

III. Organization of the operational command: In the offensive against Phnum Prak village in the Phnum Chhat area, they organized two kinds of commands:

A. Command on the battlefield was assumed by Ke Kimyan, chief of the Vietnamese puppet general staff; Pan Thai and (Neou Sokhan), deputy chiefs of the Vietnamese puppet general staff; and (Prum Moranak), deputy chief of the Vietnamese puppet general staff in Battambang Province. The three, who played an important role in organizing and commanding troops on the battlefield, bullied Para soldiers at will.

Apart from this, there were also some people playing the role of smokescreen, such as Nhoek Bunchhai—ANKI's representative, who is now a general and a deputy chief without portfolio of the general staff—and Lai Vireak, representative of Dien Del's Khmer Serei [pro-U.S.] group, and so on.

B. Command over conducting and controlling political activities was assumed by the representatives of Australia, America, Sanderson, UNTAC, Netherlands officials in Thmar Puok, and Hun Sen.

IV. The geography of Phnum Prak village in Phnum Chhat:

The village is in a plain with light forest and small hills of 70, 80, 90, 100-meter altitude in the west. The village, which has been established since 1989, consists of some 60 old houses and more than 40 new ones built following the UNTAC-organized elections. It is a civilian village in which building materials were produced. The village is also a construction site for reservoirs and an important dam that catered to some 200 villages in Thmar Puok, Ampel, and Sisophon Districts.

V. The people's and DK's political explanations to ANKI and other Para forces:

The campaign's plan was devised repeatedly in Phnom Penh and Battambang and was implemented in Sisophon at the end of the first week of August. At that time, some people and ANKI troops, and other Para forces precipitously informed the people and DK that they would certainly be attacked. They said the attack would take place from 15 to 25 August 1993 and asked DK to be alert and to take necessary measures on a timely basis.

In this situation, the people and DK explained to ANKI and other paratroops that old and new Vietnamese aggressors and the puppets, who have been shored up by the Vietnamese aggressors since 1979, were a danger to the nation. They forcibly included some elements of the national forces in the puppets' state power that they called national power. But in fact, it is state power the Vietnamese aggressors have installed since 1979. Our national forces should unite. We should never fight each other to benefit the Vietnamese and foreigners. We want national reconciliation and peace in keeping with the prince father's policy.

With the political explanation, troops from various paratroops took the view of the people and DK. But they said they had been hungry for a long time and that they have to survive and needed the assistance of the Vietnamese, their puppets, and some of their leaders. Their parents, siblings, wives, and children were of the same opinion and they were told not to do anything that would benefit the Vietnamese.

Some of their leaders shared this view, while others forced them to obey orders. If they went against orders, they would be shot and killed. According to them, Phnom Penh army commanders had constantly threatened other paratroops verbally and at gunpoint. They added that they were given some money, that is, they were paid 1,000, 2,000, 3,000, or 4,000 riels—not dollars—for each offensive. However, what was conspicuous was that the Phnom Penh groups constantly bullied them with pistols or assault rifles.

VI. Campaign and battle at Phnum Prak village in Phnum Chhat: At 0600 on 18 August, the well-organized forces began their campaign against Phnum Prak village. At first, they used all kinds of cannons—including multiple rocket launchers; 122-mm, 130-mm, and 120-mm cannons; D-30 and 76-mm guns, and tanks for the attack. After a long while, ground troops started to attack. However, after the people, the local armed forces, and some DK troops ambushed and attacked them for about half an hour, they were forced to beat a hasty retreat. They were defeated at the beginning because:

1. They did not know the terrain;

2. There are dams and canals everywhere, making it difficult for them, but enabling the people to easily ambush and assault them.

3. They have no determination to fight and they did not want to attack DK. They were also not used to fighting, but especially they were in conflict with some of their own and the puppet commanders, who constantly threatened them at gunpoint.

The second offensive was at 1300 on 19 August. In this onslaught, they employed new methods, that is, they did not use ground troops any more. Instead, they employed various types of cannons to shell and smash the village to pieces. For the whole night and morning on 19 August, they fired shells with all kinds of artillery, including 130-mm and 122-mm cannons, D-30 guns, multiple rocket launchers, and 122-mm and 76-mm heavy guns, from the Boeng Trakuon area called Banteay Mean Rit controlled by Dien Del, from Thmar Puok controlled by other Para groups, and from O Bei Choan and Chamka Kou controlled by Lai Vireak of the Dien Del forces. Several T-54 tanks advanced and fired artillery shells on the village. It is worth noting that the Vietnamese puppets' troops were the core force in the attack. They were placed under puppet command.

However, as the tanks were unable to penetrate the defense, they painstakingly regrouped their cannons in order to destroy the village once and for all. Seventy percent of the artillery shells landed in the village, while the remaining 30 percent landed at the back. The sporadic shelling continued for more than three hours, from 1300 to 1600, but the ground troops did not dare make an assault on the village until the night of 19 August.

Early on the morning of 20 August, their ground troops were seen crawling back and forth. They were able to enter the village only a few hours later.

VII. Radio broadcasts and publicity by various sources:

A. Voice of America [VOA] repeatedly broadcast and welcomed the event, shouting that it was the biggest campaign and the biggest victory.

B. The Australian radio also vociferously shouted that the offensive was the biggest campaign crowned with enormous victory over the Khmer Rouge, who were forced to renounce their two-point proposal.

C. BBC reported that there was a large-scale offensive on a large base of the Khmer Rouge.

D. UNTAC radio, through the statement made by spokesman Eric Falt, also expressed its emotional pleasure with the event and repeatedly broadcast misleading reports on the campaign.

E. French radio said a large-scale campaign was launched against a Khmer Rouge base but no significant success was made because the Khmer Rouge were everywhere. The radio added that the Khmer Rouge bases existed everywhere and that an enormous victory could be achieved only if a attack was directed at Phnum Malai hill.

VOA continued to say: It was true that a big offensive was launched in the Phnum Chhat area, but the Khmer Rouge have troops and weapons everywhere in the countryside. As such, the Khmer Rouge forces should be taken into careful consideration.

VIII. Results of the campaign:

In order to assess the campaign's results to see whether the offensive was successful, its results should be examined and compared to the objective and primary plan mentioned above. With the objective and the primary plan, military and political observers have taken note of the following results:

A. Successes: Only a village with ashes, rocks of various sizes, and a plot of land about 300 square meters in size have been captured.

B. Failures:

1. Militarily, nothing has been achieved. On the contrary, in the show of force which resembled nothing so much as a frog filling itself with air, a moderate number of troops were killed and wounded.

2. Economically, only some leftovers were collected because the people and DK had had the full knowledge about the campaign in advance. During the campaign, the people and DK had plenty of time to take everything out, leaving nothing for the aggressors and invaders, and most of the houses were already in ashes.

3. Politically, the Vietnamese and their puppets have suffered tenfold, a hundred-fold serious defeat. The people and the general public have seen through the Vietnamese and their puppets. Along with this, the people and the general public have also seen some forces wittingly or unwittingly join the campaign under the commands of the Vietnamese and their puppets. Those forces, which have already been clearly seen and judged by the people, have utterly lost influence over the people.

IX. Negative results of the campaign:

The political objective of the campaign was mentioned earlier, but most of the results were negative. This constitutes a serious military defeat [words indistinct]. They have been defeated militarily. They mustered all kinds of cannons and tanks and all kinds of commanders, with long or short noses, to launch a large-scale psychological propaganda campaign, but they attacked a village with more than 100 houses which is an irrigation construction site where new reservoirs and dams were built and old dams and reservoirs restored for the people. The large-scale campaign that they vigorously planned against the small village is like a giant fighting a young frog—the giant is not able to defeat the frog and finally, what the giant gets is only the bubbles blown by the frog. The campaign was called a giant military offensive resembling an elephant, but the result achieved was smaller than the mouse's tail.

With regard to their political and diplomatic defeats, their campaign has been opposed by the entire people and nation. Those aware of the event from a distance also have been against them. The young people, both in Phnom Penh and various provinces and the overseas Cambodians, also have been categorically opposed to the campaign. After listening to the radio reports, countries around the world also have opposed the campaign. They have vehemently opposed the offensive, asking: Why cannot a roundtable meeting be held? Why was the campaign launched instead? Why has the two-point proposal presented by DK and accepted by the prince, the head of state, not been accepted?

The campaign has been opposed because it, like other campaigns, is aimed at eliminating and sabotaging national reconciliation and destroying peace in Cambodia. Such destruction has not been appreciated by people in and out of the country. Instead, the sabotage has been opposed and condemned by the people. As such, without the force of the people and the masses, how could the military campaign be successful? At whom was the fighting directed? How could the campaign continue? Is this not the same as putting the noose around one's neck?

People have said: Look, how many forces of the Vietnamese aggressors' puppets have been used? How many weapons have the Vietnamese aggressors used against such a small country as Cambodia which has only a small number of population? The Vietnamese have waged a war of aggression against Cambodia for the past 14 years. Have they been able to annex Cambodia? How then can the ragged remnants who have been living with constant food shortages launch an offensive on a larger scale than the Vietnamese? Can these remnants be used to fight the Cambodian nation and people?

This is the general opinion and judgement by the people.

X. How to resolve this problem:

A. It is impossible to resolve it through military means using the remnant forces who are paid by some elements. This is because it has been clearly shown by Cambodian history over the past 20 years that this is impossible. It is impossible even with the use of tens of thousands and even hundreds of thousands of aggressor forces, millions and even billions of dollars, all kinds of modern weaponry—on land, in the air, and at sea—and especially the Vietnamese aggressor forces that Vietnam boasted as being the third most powerful army in the world. How can the remnants—who are paid with only a small amount of money each time, ragtag armed forces who have no political forces nor popular support but are opposed strongly by the people—try the impossible—to eliminate, to kill the others?

B. The national forces must unite and hold discussions with each other, but on what basis should they stand? They should stand on a clear basis, that is, a clear national reconciliation with all national forces taking part. Do not try to achieve national reconciliation by getting rid of Democratic Kampuchea, which is a very important force representing the Cambodian nation and people. Do not use such a phrase as "national reconciliation on the basis of the Vietnamese puppet state power" installed by Vietnam since 1979 to achieve it. Do not try to achieve national reconciliation by forcing Democratic Kampuchea to give up this and that.

National reconciliation should be achieved in a correct way in line with what the Cambodian people want. This means to reconcile the entire Cambodian nation so as to bring about genuine national reconciliation and to achieve the genuine peace, independence, sovereignty, and territorial integrity of Cambodia. It should not be just a verbal national reconciliation. It should not be just verbal peace, independence, and sovereignty, while in fact old and new Vietnamese are still everywhere in Cambodia. It is not in the way that in the east, Vietnam has grabbed all the sea territory, islands, and continental shelf. It is not a sham national reconciliation to enable Vietnamese puppets to control Cambodia. The Cambodian nation and people cannot accept such a horrible reconciliation.

C. It is imperative to absolutely rely on the national and popular forces.

National and popular forces are the forces that have fundamental roles and are very powerful, and can expedite national reconciliation in line with the prince father's plan.

D. It is imperative to unite with the ANKI, FUNCINPEC, and other Para forces on both the top and bottom echelons. It is especially imperative to unite with those in the lower echelons who are leading a difficult life, staying in jungles and on farmland, having not a single cent, and cannot be bought out by anyone.

E. It is imperative to immediately hold the roundtable meeting in line with the spirit of the prince head of state's national reconciliation and Democratic Kampuchea's two-point proposal. This two-point proposal is absolutely not a precondition. It is the lowest scale of national reconciliation, because Democratic Kampuchea really wants national reconciliation.

As a matter of fact, in any national reconciliation, each party must have equality with the other national forces in the Army, police, and administration from top to bottom.

In sum, the campaign against Phnum Prak in the Phnum Chhat area has caused the Cambodian people in and out of the country and the world to review the settlement of the Cambodian problem—how it should be resolved so as to bring genuine national reconciliation and peace to Cambodia.

Khmer Rouge Kill Two Ethnic Vietnamese Fishermen

BK2308101793 Hong Kong AFP in English 0834 GMT 23 Aug 93

[Text] Phnom Penh, Aug 23 (AFP)—Khmer Rouge guerrillas kidnapped several ethnic Vietnamese from central Kompong Chhnang province and bashed them repeatedly in the head with rifle butts, killing two, a U.N. spokesman said Monday. Four men were confronted while in their boats last Wednesday and forced at gunpoint to shore in the third massacre of ethnic Vietnamese fishermen this month, U.N. spokesman Eric Falt said.

One was held for 24 hours in the village of Chnai Chheutal and then released. "The three others were hit on the head repeatedly with rifle butts, thrown in the water and shot at. Two of them died as a result," he said. "The third one was missed by the shots. He floated unconscious in the water for some time and managed to survive." Their boat and personal belongings were stolen, he said.

Falt said the four were believed to be recent returnees to the area, having fled the Khmer Rouge's ethnic cleansing campaign and joining the exodus to Vietnam. Several thousand ethnic Vietnamese have returned to Cambodia recently, but more than 20,000 are stuck at the Vietnamese border where Cambodian authorities will not let them reenter, a U.N. border official said recently.

The victims of the latest massacre were born in Cambodia and resided here all their lives, Falt said. The Khmer Rouge who carried out the attack are believed to be the same ones who killed two Vietnamese and abducted eight children recently, Trou, Falt said [sentence as received].

Indonesia

Minister Speaks on Economic Issues

BK2108094993 Singapore BUSINESS TIMES in English 18 Aug 93 p 23

[Coordinating Minister for Trade and Industry Hartarto speaks to BUSINESS TIMES correspondent Yang Razali Kassim—date and place not given]

[Excerpts]

On the Present State of the Economy

Last year, the economy grew by more than 6 percent. For this year, Bank Indonesia (the central bank) forecasts slightly more than 7 percent. My personal expectation is that it will be slightly more than 6 percent.

The areas which drive the economy are firstly the industrial sector, secondly, the agricultural sector, thirdly, tourism—they have been increasing with more than 2.8 million tourists this year—and fourthly, services. The banking sector is recovering. The capital markets also show a good sign if you see how the capital markets here are behaving lately. Now we are also trying to develop the bonds market. These are the indications.

We will pursue what has been prudent macroeconomic management. This will be reflected certainly in a balanced budget, a low inflation rate, and a healthy balance of payments. This is the philosophy underlying our prudent macroeconomic management.

Secondly, we will consistently pursue deregulation. We will announce new deregulation measures either by the end of the month or probably next month to make our economy more efficient. This is very important in facing global economic changes, such as the fact of trading blocs, whether EC or NAFTA [North American Free Trade Area]. Despite the world recession, our economy seems to be on the right track. That's why we will pursue the same policies in years to come.

On Policies for the Future.

We will consistently deregulate the economy. Secondly, we have to face the fact that every year we have to generate employment opportunities for 2.3 million people. What does it mean? It means that we have to develop the agricultural sector, the industrial sector and also services.

If you see our national budget and our domestic banking capacity, we have limited capital resources. Today, capital is also getting scarce. That's why deregulation is very important to attract more foreign investments. From where? The answer is from countries which are undergoing restructuring of their economies. What are those countries?

First, Japan, which is facing a yen appreciation; second, Korea; third, Taiwan; fourth, Hongkong; fifth, Singapore. With Singapore, we have already developed the Singapore-Johor-Riau concept. And then Australia, some of the European countries and the United States.

What corrective actions should be taken to give the competitive edge to our industries? We have to improve productivity. Secondly, human resource development—very important. Thirdly, strengthening the marketing of our goods, domestic and overseas. And fourthly, developing support for greater use of technology.

And what will be the role of the government? First, we will encourage private sector participation in all activities, both domestic and foreign. That's why the role of the government is concentrated on firstly, infrastructure, including power generation; secondly, human resource development, although we also try to encourage the private sector to be active participants in human resource development. [passage omitted]

Declining Investments and Competition From China

China has overheated its economy. It must consolidate. It takes time. Now is the right time for us to attract foreign investments, although it is difficult. We have to improve our climate, assuring investors to invest in Indonesia.

Besides export-oriented industries, we have a very big domestic market. The middle class is expanding from year to year. This is a good domestic market, we assure investors. Because companies like to have both domestic and export markets to maintain solid corporate growth.

Is the flow of investment into Indonesia declining? Well, we used to have problems. Domestic investment is falling because of the constraints due to the tight monetary policy imposed. But this month, hopefully by the end of the year, an expansion of credit will be allowed and encouraged. That's why domestic investment hopefully will rise.

For foreign investment, the only way to ensure investment is to improve our business climate. That's why we will announce new deregulation measures soon.

Licensing procedures will be streamlined. Certain branches of industry which we consider to be rather protected, will be deregulated.

Thirdly, we will improve all regulations which are still not sufficient enough to improve the business climate. [passage omitted]

On AFTA [ASEAN Free Trade Area], EAEC [East Asian Economic Caucus], and APEC [Asia Pacific Economic Cooperation]

We have to make AFTA happen as soon as possible. We have to speed it up. We have even started a sub-regional cooperation like the one involving Singapore, Johor, and Riau. And we have developed also the second one with Indonesia, Thailand, and Malaysia. A third one should also be developed under another sub-group. We will have to look at that when we have the ASEAN economic ministers meeting in October, the next one.

I don't think that the EAEC will be a regional bloc. Nobody can afford to have a regional bloc. Today, trans-Pacific trade is growing bigger and bigger from year to year. It means that the interdependency between the Pacific countries is growing bigger and bigger. It means that we cannot afford to have what we call "regional protectionism". If you do that, then you are killing yourself. It is old-fashioned to have regional blocs. It is already old-fashioned if we are going to be protectionist. But if regional blocs are consistent with GATT, that's okay.

On opportunities for Singapore investors. [Subhead] Well, to entrepreneurs in Singapore, I would like to assure them that they are welcome to have ventures with us, not only within the limited area of Sijori [Singapore, Johor, and Riau growth triangle], or Riau, but I invite them also to invest more widely than just Riau.

What are the opportunities? In terms of trading, I would like to recommend joint ventures with our trading companies. Because through trading, we can actually develop faster economic growth.

Secondly, opportunities are also open in the agriculture sector and resource-based industries. Thirdly, in tourism. Fourthly, in shipping and so forth.

As for cooperation between Singapore and Indonesia, especially with regard to Singapore investments in Sijori, I am looking forward to the next bilateral meeting. I would like to hear what complaints businessmen may have. I will host the meeting, probably in September in Jakarta. The Singapore delegation will be led by (Deputy Prime Minister) Brigadier General Lee Hsien Loong.

Why are Singapore investors hesitant to step up investments in Sijori? Well, as far as the uncertainty about Indonesia's economic policies is concerned, I think the investors will be comfortable if they understand the steps taken by my government, such as having a prudent macro-economic policy and deregulation. They will see that here is consistency in our policies.

Alatas Opens Workshop on South China Sea 23 Aug

BK2308091593 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 23 Aug 93

[Text] Foreign Minister Ali Alatas opened the fourth workshop on the South China Sea, attended by experts from 10 countries, in Surabaya this morning. Here is a full report by RRI [Radio Republik Indonesia] Surabaya correspondent Suyono Wasis on the workshop.

[Begin Suyono recording] The current conflict in the South China Sea [over the ownership of the Spratly islands] is again becoming the main topic of discussions in a workshop which began in Surabaya today. The informal workshop, attended by six ASEAN countries, Vietnam, Laos, the PRC, and Taiwan will discuss concrete cooperation after similar meetings in Bali, Bandung, and Yogyakarta laid basic principles for such cooperation. Foreign Minister Ali Alatas said two working groups were established during the previous three meetings to identify and exploit potential resources of the South China Sea and conduct marine research there. However, Minister Ali Alatas said that the most important thing is for the informal workshop to discuss concrete cooperation. [indistinct Alatas recording]

According to Minister Alatas, Indonesia, which initiated the informal meeting, has no intention of claiming the islands in the South China Sea. The existence of overlapping claims must be recognized. Indonesia is undertaking peace initiatives in accordance with its free and active foreign policy. However, Minister Ali Alatas admitted that the workshop, which will end on 25 August, is not the only forum to cope with tension in the South China Sea. The presence of experts from 10 countries in their individual capacity will create a conducive relationship before the matter becomes the focus of international attention. [end recording]

Suharto Receives Courtesy Call From PNG Minister

BK2108074693 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 21 Aug 93

[Excerpt] President Suharto received a courtesy call from Papua New Guinea Home Affairs Minister John Nilkare [title as heard], who was accompanied by Home Affairs Minister Yogie S. Memet at the Bina Graha presidential office today. Speaking to reporters after the courtesy call, the PNG minister said his visit to Indonesia is aimed at conducting a comparative study on the development of Indonesian provinces.

Therefore, during his current visit to Indonesia, the PNG minister is accompanied by the governors of the three PNG provinces and they will visit several Indonesian provinces. The PNG guests also discussed bilateral economic and trade cooperation with President Suharto.

Meanwhile, President Suharto also met with Health Minister Suyudi, who reported on his planned visit to South Korea in October and Bangladesh in November. [passage omitted on details of health minister's itinerary]

Alatas Views Normalization of Ties With Portugal

BK1908154593 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 19 Aug 93

[Text] Indonesia is ready to normalize diplomatic relations with Portugal if that country takes the initiative. Thus far, however, Portugal has not shown any intiative toward that end.

Minister Ali Alatas said this to reporters after a ceremony to mark the 48th founding anniversary of the Foreign Affairs Department in Jakarta this morning. The minister added that Indonesia will not take the initiative, but is always ready to respond if Portugal wants to normalize diplomatic ties. Portugal closed its embassy in Jakarta when East Timor decided to integrate into Indonesia in 1976.

Team To Find 'Solutions' to U.S. GSP Suspension

BK2008083793 Jakarta THE INDONESIA TIMES in English 11 Aug 93 pp 1, 8

[Text] Jakarta—The government will in the near future set up a team in charge of finding solutions to the possible suspension of the U.S. Generalized System of Preferences (GSP), said Minister of Industry Tungky Ariwibowo here on Tuesday. Upon its formation, the team will promptly hold a meeting which will be led by the coordinating minister of trade and industry, Ariwibowo said. He noted that the government will certainly maintain the facility given by the U.S.

According to Ariwibowo, the government should do its best in resolving the matter as it will affect Indonesia's upcoming export volumes. Responding to the prevailing opinion that the suspension would likely be linked to human rights issues, he said that business circles in the country should improve human resources instead of making a fuss of the motives behind the revocation. Such introspection through the improvement of the country's human resources and lobbyings exerted by the Indonesian Government were imperative to maintain the U.S. GSP, he said.

Indonesia will strive to maintain the U.S. Generalized System of Preferences (GSP) facility which provides import duty relief for some Indonesian export goods. "We should maintain it as it would directly affect our volume of export to the U.S.," Minister of Industry Tungky Ariwibowo told the press after opening a consultative meeting here on Tuesday.

The minister said that such GSP facility will make the country's export goods difficult to compete in the U.S. markets. "The U.S. authority will impose high import duties for our export goods. It will make the selling price of our goods higher than before," he added.

On the grounds of human rights aspect, Clinton's administration has recently threatened to abolish the GSP facility for Indonesia. "We should solve the GSP facility problems as soon as possible," the minister said.

Tungky revealed that the government has formed a team to find out ways to solve such GSP problem. Trade Minister Satrio B. Yudono and Manpower Minister Abdul Latief will be included in the team.

Analysts believe that the U.S. threat is in connection with the country's effort to protect its domestic products, not on the basis that human rights implementation in Indonesia.

TEMPO Interviews Leading Dissident Nasution

BK2108155793 Jakarta TEMPO in Indonesian 24 Jul 93 p 32

["Excerpts" of interview with leading dissident retired General Abdul Haris Nasution by TEMPO correspondents Agus Basri and Iwan Qodar in Jakarta on 16 July]

[Excerpt] [Correspondents] When four generals visited you at the Gatot Subroto Hospital, many observers linked it to the visit to the Navy shipyard and Nusantara Aviation Industry by [another leading dissident] Ali Sadikin. How do you look at the two events?

[Nasution] I did not dare to ask the armed forces commander, who came to visit me at the time, whether the two visits were related. The fact that they visited me was already a good thing. Why do I have to ask them about this? In this case, I may sound like an interrogating officer [laughing]

[Correspondents] Some people describe the military leaders' move as a breakthrough.

[Nasution] That is right. The move by the current generation of military officers can be seen as a preliminary step of the process to end the total isolation imposed on us. We must not only make efforts to lift the overseas travel ban imposed on other members of Petisi 50 [Petition of 50], but we must also ensure that such a travel ban must not take place again in the future.

[Correspondents] Therefore, are you grateful to the generals' visit?

[Nasution] Yes, because the visit reflected the military's commitment to the 1945 Constitution.

[Correspondents] Since when did you think the travel ban was imposed on you?

[Nasution] In fact, I believe the travel ban has been imposed on me since 1971 when I was still chairman of the Provisional People's Consultative Assembly. My wife and I were not allowed to attend the wedding party for the children of Mrs. Gatot Subroto, Mrs. Yani, and others. I was also prohibited from delivering sermons at the Cut Meutia mosque. But what hurt me most was the move to implicate me in the hijacking of a Garuda Airlines plane in Bangkok. Before the injured hijacker died, he was reported to have said that he was supposed to report to Nasution immediately. In this case, as a soldier, I felt unhappy that the government had harbored suspicions on me on the pretext that I might threaten the state.

[Correspondents] President Suharto said nobody had issued an order to impose travel ban on you.

[Nasution] That was what Minister Habibie had said. He came to see me in person and we talked for about an hour. Habibie said the president had never imposed the travel ban on me and my wife.

[Correspondents] Did you ask Habibie about other dissidents like H.R. Dharsono and Ali Sadikin?

[Nasution] No, I did not.

[Correspondents] Why not?

[Nasution] You can of course draw your own conclusion why I did not ask the question. My relations with him are not like those between a student and his student union.

[Correspondents] Some people view the recent visit by the generals as a preliminary step toward reconciliation. Is that right?

[Nasution] Reconciliation can take place only between two hostile groups, but we believe we have never been hostile to the government. It is better to say that we have differences of opinion, which are in fact a blessing when seen from the Islamic viewpoint because both parties can remind each other of their shortcomings.

[Correspondents] When you have a chance to see President Suharto, what do you want to tell him?

[Nasution] First of all, as a fellow Muslim, I want to tell him that whatever has happened to me and other colleagues should never happen again. Secondly, he should view our position as comrade-in-arms. Therefore, there should be no antagonism or hostility. This kind of thing is not in my character.

[Correspondents] You mean there are people who want you to act otherwise?

[Nasution] Yes. There are those who want to see my meeting with the president as between two kings, who will sit down and confront each other. People will also beat drums to make the occasion exciting. But what will such an occasion benefit a 74-year-old man like me?

[Correspondents] Haven't you had any kind of communications with the president in the last 20 years?

[Nasution] Yes, we have had communications even though they are only in the form of greeting cards sent during the 'Id al-Fitr festival. Every year I always send a hand-written 'Id al-Fitr greeting to the president, but the reply I get is not a hand-written one. This is understandable because the president receives thousands of such greeting cards while I receive only hundreds, so I have time to write them in my own handwriting. [passage omitted]

U.S. Policy of 'Trade With Strings' Criticized

BK2008100993 Jakarta THE INDONESIA TIMES in English 6 Aug 93 p 2

[Editorial: "Indonesia's Labour Rights and American Policy"]

[Text] Reports that the United States Government is giving Indonesia until early next year to comply with the provisions of its Generalised System of Preferences (GSP) simply reaffirm what has become common knowledge among countries which are its trading partners. Whether it concerns human rights, intellectual property rights, underaged or forced labour, and the like, the U.S. feels it is entitled to pressure foreign governments to conform with its national policies. In other words, it's no longer just aid with strings. It's now also trade with strings.

In conventional terms, this constitutes an interference in the domestic affairs of other countries. Yet, economic or trade agreements being a contract between two parties, they obviously obliged the signatories to honour them once they are duly signed and ratified by the relevant authorities.

In this particular case, the rules set down by the U.S. for freeing Indonesian exports of any tariff are already known. They include freedom of association for workers, the right to negotiate collective wage bargaining, to petition the management on certain working conditions, etc. "Evidently, the U.S. authorities are watching closely how we respond to these rules. In fact, Washington already announced last June that it is assessing labour conditions in several countries, all of them developing states, including Indonesia and giving them an 8-month deadline to make the necessary improvements. It is open to question whether these countries can meet the deadline to comply with the GSP. So far at least one country, Mauritania, has been penalised.

As regards organised labour, it is obvious that Indonesia and the U.S. are standing on different philosophical grounds. Here there is only one recognised labour movement, Serikat Pekerja Seluruh Indonesia [All Indonesian Trade Union] (SPSI), which the Americans view as being under tight government control.

Perhaps, however, the issue is not whether there should be one or more labour unions, rather whether the existing organisation is sufficiently independent and able to fulfill its mission in the interest of workers.

One other thorny problem in this country pertains underaged or child labour. The other day, Coordinating Minister for Welfare Azwar Anas was reported as stating that there are some 2.4 million Indonesian children between 10 to 14 who are employed as workers; 90 percent of them are to be found in villages and the rest, about 243.000 of them, in urban areas.

It is certainly not state policy to allow use of child labour in factories or other production activities. In fact, as Azwar Anas pointed, the practice is a form of exploitation in violation of the constitution and human rights.

The question then is how effective are the government's actions in stamping out such exploitative practices. Needless to say, the problem that the government is encountering here goes beyond seeking and punishing the violators and it is only fair that the matter gets an objective evaluation.

Article Views Suharto Economic Policies

BK1908103793 Singapore BUSINESS TIMES in English 18 Aug 93 p 22

[Article by Christianto Wibisono, executive director of Jakarta-based Indonesian Business and Data Center entitled: "The power of Suhartonomics"]

[Text] To be a president you don't need to be an economist. However, you will be recognised as one, if as a president you have taken some bold measures to boost the economy, break its stagnation, or invigorate it through some original policies. Hence former U.S. President Richard Nixon was known for his Nixonomics, and Ronald Reagan for his Reaganomics. Now, Clintonomics has come into vogue.

In Indonesia, people talk about the dichotomy between Wijoyonomics and Habibienomics. The first is the economics of Wijoyo Nitisastro, a leading light of the Berkeley-trained economists who have turned the Indonesian economy around since the 1970's. The second is the emerging theory of development being pursued and popularised by Research and Technology Minister B.J. Habibie.

Since Dr. Habibie himself has denied there is such a thing as Habibienomics, or that he is trying to determine national economic policy, I have coined the term Suhartonomics to associate Indonesia's economic success story with its ultimate CEO [chief executive officer], "philosopher" and leader, President Suharto.

To understand Mr. Suharto's economic philosophy and approach, one has to appreciate his life history. As the provincial commander of Central Java, the then colonel Suharto had faced inadequate funds for his troops. Ingeniously, he established foundations to do business, and the profits were utilised to improve the livelihood of the soldiers.

The state budget then—as it is now—could not sustain the actual living conditions of the civilian as well as military servants of the state. The salary of government officials, the police, and the armed forces were always invariably eroded by inflation.

So early in his military career, President Suharto understood very well that the civil servants as well as soldiers could not live on their salaries alone. This was his first lesson in economics. But instead of begging for their needs, he established his own private foundations and firms to engage in business and distribute the profits to overcome the deficit in the budgetary needs of the troops.

Thus when Mr. Suharto, as a general, took over the presidency from Sukarno, he had already fathomed the intricacies and difficulties of running the economy.

He knew by then the maxim of having to pay for one's own lunch. To be able to pay, one must have income. To have income, one must work and generate income—open factories, produce, export, trade, create wealth and employment, in short, keeping the economy busy.

Mr. Suharto left the theoretical matters to Prof. Wijoyo, despatching him to such key international institutions or financial groups as the World Bank and the international aid consortium, the Inter-Governmental Group on Indonesia (IGGI), the forerunner of the CGI (Consultative Group on Indonesia).

Prof. Wijoyo was given a free hand to draft macroeconomic policy, to guide the flow of money, te define policies to attract investment, and create employment and wealth.

As president, Mr. Suharto know that his subordinates are not just a military division, but the whole Indonesian nation. He knows that the government departments including Bappenas, the National Economic Planning Board, are manned by the same underpaid and uninspired bureaucrats. All the same, Mr. Suharto had to operate on the same principles and priorities.

During the first decade of his rule, the Indonesian economy was practically built on three pillars. The first was the government, through various development projects controlled by Bappenas and the bureaucracy. The second pillar was Pertamina, the state oil company. The energy crisis in 1973 threw up Ibnu Sutowo, the Pertamina chief, as Mr. Suharto's other economic czar. The third pillar was the private sector, which in the early years of the New Order, was dominated by the MNCs [multinational companies] from Japan, U.S. and Europe. Reflecting the real strength of those three giants, foreign investment in Indonesia was also divided almost proportionately between them.

With the eclipse of Dr. Ibnu Sutowo, Dr. Habibie has taken over the role of Pertamina in the sense of pursuing industrialisation via the high technology path. But Bappenas is still assigned thc job of planning nacroeconomic policy.

It is not difficult to understand why Mr. Suharto later felt disappointed with the economic technocrats. They have not succeeded in maintaining a superior formula to develop the real sectors—the nonfinancial sectors—of the economy. Moreover, after three devaluations within eight years (1978, 1983 1986), Indonesia's non-oil exports are still crawling when compared to those of the four NIE's [newly industrialized economy].

Meanwhile, in the private sector, Mr. Suharto has been mobilising private business, whether those with access to power or those who are ordinary businessmen, to play their roles in Indonesia's economic development.

We may say that local businessmen in general have benefited from protection. However, there are cases where the government issued specific licences, the so-called Tata Niaga or System of Trade, which provide special protection to a few firms to monopolise certain commodities or services. Most arguments given in defence of this system of privilege revolve around the idea of "national interest" to protect certain groups or some infant industries against foreign competition.

Such arguments notwithstanding, these privileges have contributed to the distortions existing today in the production sector. Such interventions in the market have affected Indonesia's export capability because of the resulting higher costs in raw materials and intermediate goods protected under Tata Niaga.

I do not subscribe to the theory that Dr. Habibie is the winner following the exit of Prof. Wijoyo's proteges from cabinet. The real winner is still the top CEO Pak [Mr.] Harto, as he is respectfully called in the country.

By appointing Mar'ie Muhammad, a former Muslim leader, as the minister of finance, Pak Harto actually removed the infamous issue of RMS—a name-tag referring to the three Christian economic ministers, Radius Prawiro, Adrianus Mooy and J.B. Sumarlin.

In the former Cabinet, the RMS trio was put on the defensive by their religious backgrounds. With a former Muslim student activist like Mar'ie Muhammad as finance minister, a refusal to finance any projects proposed by a Muslim minister will not have any religious connotations.

I do not believe that Mr. Suharto will allow anyone to take the Indonesian economy to a state like that of Summa, the Indonesian corporate group which suffered a massive financial crisis because of poor management. Mr. Suharto will not let anybody play the role of Summa's Edward Suryajaya in the Indonesia Inc. that he has built up since 1967.

Today, there are three centres of economic policy-making, with President Suharto balancing the influence of Lapangan Banteng (the Ministry of Finance) and Thamrin (the central bank, Bank Indonesia) camp on the one hand and Taman Suropati (Bappenas) and the other Thamrin (Dr. Habibie's technology think-tank, the BPPT), on the other.

But ultimately again, it is Cendana or Bina Graha—Mr Suharto's residence and presidential office respectively—that will take the final decision in economic policy-making.

This cabinet will do no harm to what Prof. Wijoyo brought about in 25 years. After all, it was the 72-year-old Pak Harto himself as CEO who stopped Dr. Ibnu Sutowo the big spender when the technocrats did not have the guts to supervise Pertamina properly.

The strongman figure of Pak Harto is like that of a charismatic and legendary founder of a company. No one dares to challenge or dispute his decision.

I do not however have an answer to the question as to what will happen if the single dominant factor is not around anymore. Indeed nobody really wants to discuss the matter or prepare for anything.

Philippines

Power Lines Bombed; Former Militiamen Suspected

HK2408044593 Hong Kong AFP in English 0338 GMT 24 Aug 93

[Text] Iligan, Philippines, Aug 24 (AFP)—Suspected former government militiamen bombed a power pylon near this city early Tuesday [24 August], disrupting electrical supply in the southern Philippines, police and energy officials here said. One of three homemade bombs attached to the base of the 138 kilovolt line steel tower went off in early morning, causing the pylon to lean on one side and snapping off high-tension cables, Senior Police Superintendent Porcawa Dia said.

The other explosive devices were being defused by military ordnance experts as state-run National Power Corp. (NPC) engineers waited to repair the damage, Dia told reporters. He said several unnamed, former government militias were suspected of planting the bombs. The militiamen were recently demobilized with the waning threat of insurgency in the region, the police official added. No arrests were immediately made.

Eugene Vicar, the NPC regional manager for systems and operation for the southern Philippines, said the damage was expected to affect three-fourths of the entire island of Mindanao, but that they were still evaluating the damage. The pylon bears transmission lines from the Agus hydroelectric dam in nearby Lanao del Sur province through the rest of Mindanao. Two other NPC power transmission lines were bombed by suspected Moslem guerrillas in Mindanao earlier this month, cutting off the electricity supply to Lanao del Sur.

Troops Kill 30 Muslim Lost Command Members

HK2008131693 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 0400 GMT 20 Aug 93

[Text] The number of Muslim lost command rebels killed after five days of operations involving the Marines, Army, and Philippine National Police in Basilan has reached 30. Three Marines have been killed and 11 have been wounded. General Ponciano Billena, Basilan 3rd Marine Brigade commander, has said the government will not stop until the lost command members have all been wiped out.

The rebel group, led by Jul Jilan, is reportedly aided by rebel Commanders Eric Calahal and Hipru Sali, who were responsible for the massacre of 21 Marines last 9 February. Commander Guillermo Ruiz has said Commander Talit and Commander Nunat Maniala, known to be notorious kidnappers, were among those lost command members killed.

Army Commander on Rebel Insurgency

HK1908150393 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 19 Aug 93

[Text] Lieutenant General Arturo Enrile, Philippine Army commanding general, today said the Armed Forces of the Philippines [AFP] and the Philippine National Police [PNP] will conduct a general assessment of the insurgency situation in December in preparation for turning over counterinsurgency operations to the PNP in December. He said there is no certainty that the counterinsurgency operations will be transferred, and the decision will be based on the results of the assessment by high-ranking AFP and PNP officials.

Enrile also said that the insurgency situation in the country, particularly in Southern Luzon, has seen the New People's Army [NPA] weakening, but it will not disappear and could enjoy a resurgence if it wins support from the people. Enrile compared the NPA movement to the grape vine which does not die but only withers, ready to come back to life if watered. The Army chief also said the Citizens Armed Force Geographical Units [militia units] will not be disbanded while the insurgency problem still exist.

Enrile was honored here in Lucena City today for being an outstanding citizen born in Quezon province as part of a celebration to mark the 115th birth anniversary of former President Manuel Luis Quezon.

MNLF Threatens Spread of Unrest

HK2008131593 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 0400 GMT 20 Aug 93

[Text] The Moro National Liberation Front [MNLF] has warned that the Basilan unrest will spread all over southern Mindanao if the military does not cease its military offensive operations against Muslim rebels. MNLF spokesman Ustad Sain Jali has stressed that the entire island of Basilan is MNLF territory and must not be invaded by the government. Sain Jali said the MNLF will defend its territory against military threats to occupy the province.

Agrarian Reform Body, CPP-NPA To Discuss Land Reform

HK2008104393 Manila PHILIPPINE DAILY INQUIRER in English 20 Aug 93 p 11

[Report by Bobby Timonera]

[Text] The Department of Agrarian Reform [DAR] will conduct "top level talks" with the leaders of the Communist Party of the Philippines and the New People's Army [NPA] to facilitate implementation of land reform.

DAR Undersecretary Jose Noel Olano said the department was prompted to make the move following reports that armed men claiming to be communist rebels are disrupting the implementation of agrarian reform by tripartite bodies composed of the government, non-government and people's organizations in pilot areas.

He cited the case of two towns in Quezon province—San Francisco and San Andres—where suspected NPA guerrillas are sowing terror among agrarian reform beneficiaries.

In San Andres, a non-government organization reported that, last week, armed men posing as rebels slaughtered a cow owned by a farmer-beneficiary without seeking his permission.

The next day, the same group threatened a DAR survey team in a neighboring village, telling them to pack up and leave, Olano said.

In San Francisco, an aide of a landlord was reportedly gunned down by members of the Sparrow Unit, the NPA's liquidation team.

Olano said the incidents have frightened NGO [non-government organizations] workers who, he said, are contemplating on whether or not to continue working for agrarian reform.

Trade Deficit Widens 37 Percent to $2.9 Billion

HK2408032093 Manila BUSINESS WORLD in English 24 Aug 93 p 1

[Text] The country's trade shortfall in the first semester widened to $2.902 billion, 37

more than the yearago level of $2.118 billion, based on data released yesterday by the National Statistics Office (NSO). The gap was traced to the higher growth rate of imports against exports. Imports rose 19.8

year-on-year to $8.037 billion while exports improved 11.9

to $5.135 billion.

In the month of June alone, the trade gap amounted to $423 million, a 67.19

hike from its yearago level of $253 million. Imports for the month totalled $1.332 billion while exports rose to $909 million. Among the commodity groups, electronics and components remained the country's top export earner, raking in $213.92 million for the month of June. For the whole semester, the group contributed $1.161 billion in export receipts.

Earnings from garment exports added up to $189.70 million in June, bringing to $1.015 billion the group's first semester earnings. Other export commodities that contributed significantly to the country's dollar earnings in June were woodcraft and furniture ($23.58 million), coconut oil ($23.07 million), and bananas ($22.96 million).

On the other end, half of June's total import value was traced to mineral fuel, lubricants and related materials ($185.58 million), power generating and specialized machines ($175.24 million), electronics and components ($147.11 million), telecommunications equipment and electrical machineries ($104.83 million), and textile yarn, fabrics, made up articles and related products ($88.18 million). As of press time, 169 out of 32,437 exports documents and 56 of 36,204 imports documents for June remained unprocessed.

Data from the Export Processing Zone Authority (EPZA), meanwhile, showed an improved trade balance for the first semester of this year, with a 40

increase in exports to $650.5 million from $465 million last year. In contrast, total imports moved up more slowly at 20

to $406.7 million from $339.7 million. Consequently, EPZA showed a trade surplus of $248.9 million, a turn around from last year's trade deficit.

EPZA statistics showed that all four regular export zones posted increases in exports. For instance, the Baguio City Export Processing Zone earned for the first six months $47.14 million, more than the same period last year. The three other zones reported growths ranging from 14.5

to 79

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Administrator Tagumpay R. Jardiniano said the results could have been better had recessionary pressures not cut into the production of some companies in the zones. Mr. Jardiniano says EPZA will easily meet this year's projected exports of $1.257 billion. So far, the zones have already gone past the halfway mark. "We expect the zones' output to advance strongly in the second half of the year and the overall sales to move up, especially in anticipation of the Christmas season," Mr. Jardiniano said.

Foreign Office Pursuing Joint Ventures With Russia

HK2408030093 Manila BUSINESS WORLD in English 24 Aug 93 p 12

[Text] The Department of Foreign Affairs (DFA] is pushing for the implementation of joint venture fishery and forestry projects between the Philippines and Russia.

Following recent visits to the Russian Far East cities of Vladivostok, Khabarovsk, and Nakhodka, Philippine Ambassador to Moscow Romualdo Ong pointed out in a report to Foreign Affairs Secretary Roberto Romulo that there are definite prospects for Filipino entrepreneurs to engage in joint venture projects with Russian businessmen in the areas of fish canning, wood processing, food, production, and the exploitation of lumber resources.

However, Mr. Ong cautioned Filipino businessmen planning to engage in timber sourcing in the Russian Far East to be "extra-sensitive to the beliefs and feelings of local authorities and indigenous people (of the area)" in order to strike a balance between commercial opportunities and the need to preserve the ecology and habitat of the natives there.

"For the sake of maintaining our long-term bilateral relations with Russia, our entrepreneurs will have to respect the laws and customs of the people of the Russian Far East, such as the protection of the environment, waste disposal, and the desire of the Russian people for joint venture," a senior foreign affairs official explained.

The official noted that mutuality will have to be emphasized since the DFA's goal is to develop a mutually beneficial relationship with Russia. Said he: "This is not a one-shot deal. We are here for the long term."

The Philippine-Russia Business Council is also being encouraged by the DFA to participate in "some kind of an oversight to (Filipino and Russian) entrepreneurs" who would venture in fisheries, wood processing, and export of Philippine products.

The natural channel for trade between Russia and the Philippines is the Russian Far East. Foreign affairs officials noted that Russia, armed with a $3-billion aid package pledged to them during the Tokyo Summit last month, offers vast opportunities for Philippine businessmen to "participate" and "involve" themselves in Russia's market reform programs.

Foreign affairs officials pointed out that the Philippines is not only expanding its links with Russia through joint venture projects but is also identifying potential areas where the Philippines could stand to benefit.

Mr. Ong also remarked in his report to Mr. Romulo that the former has already received nominations of several Russian businessmen who could become the country's honorary consul in Vladivostok in order to promote Philippine interests there.

As this developed, an interagency meeting will take place this week to discuss the draft "Philippine-Russia Agreement on Fisheries Cooperation" to cover technology transfer, hunting equipment construction, and repair and maintenance of fishing vessels.

The proposed agreement was initiated by the Philippine Embassy in Moscow after consulting with authorities.

"We are working hand in hand with the Russian Government as far as developing technologies in the field of fisheries is concerned," said a foreign affairs official.

The interagency meeting this week will be participated in by the Philippine Ports Authority, Bureau of Fisheries and Aquatic Resources, the Philippine Coast Guard, the Department of Environment and Natural Resources, and the Board of Investments, among others.

Based on 1992 figures, over all trade between the Philippines and Russia reached $170 million, with the balance of trade in Russia's favor.

Ramos, Guangdong Vice Governor Reaffirm Ties

HK2408055093 Manila MANILA BULLETIN in English 24 Aug 93 p 1

[Text] President Ramos and Vice Governor Ou Guangyuan of Guangdong, China, yesterday reaffirmed their commitment to increase trade and economic cooperation between the Philippines and the People's Republic of China.

In a 20-minute meeting at Malacanang, the President and Vice Governor Ou noted that the Philippines and Guangdong have some similarities in terms of soil, climate, and products which can be further explored for the benefit of both countries.

Mr. Ramos expressed optimism that with the liberalization of the economy and the influx of foreign investment, the progress and development which Guangdong now enjoys will be achieved by the Philippines.

Vice Governor Ou and his delegation wished the Ramos administration success in the implementation of its Medium-Term Development Program for 1993-1998 and expressed the support of Guangdong by investing here.

The 11-man Chinese delegation informed President Ramos that they are interested in joint venture projects, particularly in the fields of agriculture, fisheries, animal husbandry, silk weaving and food processing.

It also acknowledged the Filipinos expertise in the field of agriculture and expressed the intent of acquiring some tips from the Philippine agriculture sector.

The delegation arrived in Manila Sunday upon the invitation of President Ramos which was extended during Mr Ramos' state visit to China last April.

Trade Secretary Rizalino Navarro said that the group will meet with the members of the Philippine Chamber of Commerce and Industry and the Filipino-Chinese Chamber of Commerce and Industry today.

The group is also set to visit Davao and Cagayan de Oro cities tomorrow and Thursday to look for investment opportunities and meet with local businessmen.

Navarro disclosed that as a result of the President's state visit to China early this year, Philippine exports to China, part of which went to Guangdong, have increased by 47 percent, surpassing the government's target.

He also said that in support of the Philippines, the Guangdong provincial government will host an exhibit of various Philippine products.

Romanian Ambassador Supports Joint Ventures

HK2408064693 Manila MANILA BULLETIN in English 24 Aug 93 p 14

[Report by Leonardo Belen]

[Text] Romanian Ambassador to the Philippines Dumitru Mazilu yesterday cited a five-point cooperation program to help strengthen the economic and cultural ties between his country and the Philippines.

While he expressed Romania's support to the "economic diplomacy" of President Ramos, Mazilu stressed "joint ventures as the best system of cooperation."

He lauded the negotiations for the setting up in the Philippines of a joint venture in the energy field. He added that his country has already set up a power plant in Cebu, Naga I, which has been running very well.

In Romania, the ambassador said last year alone, five joint ventures were established by Filipino and Romanian businessmen.

Other projects which the Romanian government would like to participate in and which are of great national interest to the Philippines are railway modernization and a modern cement factory.

On cultural ties, the Romanian ambassador proposed the exchange of folk groups between his country and the Philippines as well as exchanges in literary masterpieces.

Mazilu lauded top Filipina singer Rachel Alejandro who won the "Golden Stag" first prize award during an international song festival in Brasov, Romania.

Mazilu also cited his close working cooperation with Sen. Leticia Ramos-Shahani when both were assigned to the United Nations headquarters in New York.

The two latest agreements forged between Romania and the Philippines were the protection and promotion of investment in both countries and the avoidance of double taxation.

Thailand

Security Cooperation Agreement With Saudi Arabia

BK2308013993 Bangkok THE NATION in English 23 Aug 93 p A1

[Text] Thailand and Saudi Arabia have agreed to cooperate on security matters, including the exchange of information on terrorism and setting up of intergovernment "hotlines", according to an informed source.

Agreement was reached during a visit by Deputy Foreign Minister Surin Phitsuwan, who met members of the Saudi royal family during his pilgrimage to Mecca recently.

Surin had talks with Prince Turki, chief of Saudi national security, on possible avenues to diversify and strengthen Thai-Saudi Arabia relations after four years of problems. The source said National Security Council Chief Charan Kunlawanit is scheduled to visit Riyadh for talks with Turki in November to work out details.

The Saudi royal family has entrusted former charge d'affaires Muhammad Sa'id Khujah, who ended his four-year term in Bangkok recently, to improve Thai-Saudi relations, the source said.

Khujah was not available for comment. The envoy is a familiar figure in Thailand after years of pressuring officialdom to ferret out the culprits who killed four Saudi diplomats three years ago and those responsible for the missing Saudi jewels.

The two incidents caused a deterioration in bilateral relations and Riyadh stopped granting working visas to Thais.

Joint Commission Planned With Russia

BK2308071393 Bangkok Radio Thailand Network in English 0000 GMT 23 Aug 93

[Text] Thailand and the Russian Federation have agreed to form a joint commission to promote bilateral cooperation in various fields. The agreement was reached during recent negotiations between delegations of both countries at the Ministry of Foreign Affairs in Bangkok. The Thai delegation was led by Deputy Director General of the Department of Economic Affairs Thinnakon Kannasut, while the Russian side was led by Mr. (Aleksandr Iroviv), chief of Legal Department, Ministry of Foreign Economic Relations. The Thai-Russian Federation Joint Commission will meet once a year alternatively in Thailand and Russia. Both sides are allowed to invite consultants, experts, and members of the private sector to attend the meeting. The settlement of any difference and dispute between the two nations will be conducted through consultations and negotiations.

Both countries will officially sign the agreement on the setting up of the Thai-Russian Federation Joint Commission next month in Russia. The agreement will be made in three languages; namely, Thai, Russian, and English. It will take effect on the date of the signing and will be terminated six months after the notification by one of the contracted party in writing.

Chuan Puts Army in Charge of Violence Probe

BK2408015793 Bangkok THE NATION in English 24 Aug 93 p A1

[Text] The military has been placed in charge of anti-terrorist efforts in the South, displacing the Interior Ministry as the lead agency in dealing with the volatile situation in the Muslim provinces.

Prime Minister Chuan Likphai said yesterday the Fourth Army Region, under Lt Gen Kitti Rattanachaya, had been assigned to coordinate operations. "Everything is in the hands of Lt Gen Kitti. I have asked him to coordinate (the anti-terrorist campaign)," Chuan said.

Lt Gen Kitti said yesterday that he did not think the situation in the South warranted a declaration of a state of emergency. Under a special law governing national security, the Fourth Army Region commander has the authority to seek cooperation from all government officials in the South, and can have any of them transferred.

The prime minister, speaking to reporters at Don Muang airport upon returning from the South, said he had instructed all Government agencies involved in the drive against terrorism to take defensive as well as offensive measures in dealing with the situation.

"I have asked senior government officials in the South to keep up the morale of their subordinates. In a democratic society, government officials must have enough self-confidence to withstand criticism. But to succeed in what they do they must remain decisive in the face of criticism."

Interior Minister Chawalit Yongchaiyut said the spate of terrorism in the South—arson at 35 government schools, a grenade attack on a Buddhist temple, the ambush of an army engineering squad and Sunday's attack on a train—was tantamount to an insurrection.

"It is evident that the incidents were intended to destroy public confidence in the government," the interior minister said. "But this government is in control of the situation."

Gen Chawalit said the Interior Ministry already had a plan of action to deal with the outbreak of violence in Yala, Narathiwat and Pattani provinces. He did not go into detail, but said it would involve reorganizing existing border patrol police units in area. "We will put tremendous pressure on all the separatist organizations. We will take drastic action. We will do all this with the condition that innocent civilians not be hammed," Chawalit said.

Provincial police and border patrol police would concentrate on protecting people and government offices and public places which could be targeted. He said Interior Ministry officials responsible for peace and order and the military, which was in charge of national security, should take firm action against terrorists.

"The problems surrounding the volatile situation in the South are sensitive issues, a wrong move by the government could significantly escalate the already tense situation," Chawalit said.

The various police and army units sent out in pursuit of the guerrillas should exercise extreme care to isolate them from innocent people. "These units should have strict guidelines on the way they try to track down the terrorists. They must not be allowed to use indiscriminate force," Chawalit said.

He was prepared to explain the situation in the South to the House of Representatives whon it convenes a special session to consider the Budget Bill on Sept 8-10.

Meanwhile, Phra Daeng Hitachitto, a Buddhist monk seriously injured in the grenade attack on Wat Ratsamosom in Narathiwat's Rusoh district earlier this month, died at the Narathiwat Provincial Hospital after being in an intensive care unit for 11 days.

The monk's death brought the number of people killed by the various terrorist attacks to four. Two members of an army engineering squad died in an ambush last Tuesday. A Muslim university student was killed when gunmen raked a south-bound train with bullets on Sunday.

Provincial Police Bureau 4 Commissioner Kraisuk Sinsuk said yesterday a task force of about 30 border patrol police commandoes had been set up to track down the estimated 10 guerrillas responsible for the train ambush. "We believe some villagers near the site of the attack know who were responsible. We will summon witnesses for questioning," Pol Lt Gen Kraisuk said. "We will have the identities of the guerrillas soon."

The chief of the southern police said the situation was complex and admitted, "Nobody knows what will happen next".

Kraisuk conceded that the Provincial Police Bureau 4 had received intelligence on Aug 16 that extremists were planning violence and sabotage in Yala, Pattani and Narathiwat.

The report had indicated that government offices and public places such as hospitals, banks railway stations and motorists on the road linking Yala and Betong were possible targets.

"It's not that local police and provincial authorities have not taken precautions and try to prevent the attacks. It's just that you never know when and where they are going to strike," Kraisuk said.

Group Responsible for Attack Identified

BK2408020593 Bangkok BANGKOK POST in English 24 Aug 93 p 1

[Text] Police chief Sawasdi Amornvivat yesterday identified a group of Muslim separatists under the Pattani United Liberation Organisation's [PULO] Hajji Da-oh Thanam as being responsible for Sunday's attack on a passenger train in Narathiwat. He said the ambush was headed by Hajji Sama-ae Yuso leading eight other separatists.

The group fired on a Bangkok-Sungai Kolok rapid train near Tanyongmat Railway Station. A Ramkhamhaeng University student, identified as Ms Sopha Je-ali, was on her way home from Bangkok for a vacation when she was killed and nine others injured in the attack.

Pol Gen Sawasdi said letters and other evidence left at the scene indicated PULO was also responsible for other incidents in the South including the arson attack on 34 schools in three southern provinces and the attack on Thai forces in Yala this month.

The PULO letters also claimed responsibility for the grenade attack on a Buddhist temple in Narathiwat, but this was not mentioned by the police director-general.

He said PULO stated clearly the motive for the attack on the train was to take revenge on local authorities and to push for the secession of the southernmost provinces from Thailand.

The police chief said the peaceful situation in the South in recent years may have resulted in government agencies becoming lax in providing security for the region.

Pol Gen Sawasdi said police were working hard gathering intelligence and preventing further violence. The Fourth Army Region will spearhead the suppression of separatist bandits with the support of the Civilian-Police-Military Command 43.

Sources said the four letters in the Yawi language found at the site of the train attack threatened to stage more attacks on trains as long as the Government refuses to return to the separatist movement taxes collected from Muslims.

Sources said the first letter called on Muslims to wage war on government forces. It claimed the Government allowed Muslims to become defence volunteers and village headmen because it wanted to let Muslims fight each other. The letter also called on Muslims to stop listening to the Thai Government. It said the attack on the train was the result of the movement's displeasure over tax collection from Muslims which should be used to benefit Muslim people.

The second letter said the movement would not guarantee the safety of train passengers if the Government did not return the taxes to them. The letter demanded the government officials stop "cruel attacks on innocent Muslims" otherwise the movement would stage attacks on teachers, schools and public health of fices.

It urged Interior Minister Chawalit Yongchaiyut and his deputies to pay more attention to the case of the Muslim allegedly killed by former district police chief Sakrapee Praimuang.

The third letter signed by Hajj i Da-oh Thanam, a PULO chief said teachers would be the next target if government officials continue their suppression of innocent Muslims.

The fourth letter said an old group of Malayu-Pattani Liberation members calling themselves "Kadsadan" were responsible for the arson of the 34 schools, the grenade attack on a Buddhist temple in Narathiwat, the attack on an army development unit in Yala and the attack on the passenger train.

Premier Urged To Solve Problem

BK2308090193 Bangkok SIAM RAT in Thai 23 Aug 93 p 4

[Editorial: "The Prime Minister Should Solve The Problem Himself"]

[Text] The incidents in the southern region, particularly the arson of 35 schools in three provinces at the same time, the grenade attack on a temple in Narathiwat Province, that wounded monks while they were meditating, and the ambush of soldiers, which killed and wounded several, have not been solved. Specifically, so far only one suspect has been arrested for the school arsons. The suspect gave the alibi that he was abroad when the incident occurred.

The combination of these incidents is most serious and unprecedented. The arson of the schools simultaneously in three provinces caused considerable hardship to students. The fearsome organization which perpetrated the arson attacks must have a large membership. Yet it must have planned its mission cleverly because no government agencies had any previous information and thus failed to prevent the arson. Many people fear that such an incident or worse could happen again.

Moreover, views have been expressed freely regarding the possible cause of the incident, resulting not only in confusion among the people but also in possible divisiveness among different groups in the nation, which could obstruct restoration of public safety in the future.

Politicians and senior military officials differ in their opinions about the situation in the south. Politicians believe there government officials are involved, rejecting the theory that the incidents were the work of separatists. Military and suppression officials believe that the remnants of a separatist movement, who were trying to demonstrate their continued ability to commit terrorist acts in the hopes of drawing support from international terrorist movements, were responsible.

This difference of views is evident in General Kitti Ratanachaya's, the 4th Army Region commander, remark, who said politicians, who rejected the theory of involvement by separatists, should be aware of who is doing what and who has what responsibility. He charged that while authorities concerned are working hard, politicians are talking too much. Meanwhile, Army Commander Gen. Wimon Wongwanit said that the people, who ambushed his soldiers, were separatists.

Most of the politicians, who believe the incidents were the work of government officials, not separatists, are members of parliament from the south, who belong to the New Aspiration Party and whose constituents are Thai muslims.

In light of this situation, the prime minister, in his lawful position as national director for peacekeeping, should assume responsibility in solving the problem in the south before the differences between politicians and the military escalate more seriously.

'No Need' for More Discussion on Patents With U.S.

BK2408022193 Bangkok BANGKOK POST in English 24 Aug 93 p 18

[Text] Deputy Prime Minister Suphachai Phanitchaphak said yesterday there was no need for the Thai Government to reopen formal talks with the United States on copyright, patent and other intellectual property rights before Washington's August 30 ruling on Thailand.

He said only a few minor differences remained between the two sides and the Thai Government was preparing a report to Washington on progress in the past month.

On July 31, US Trade Representative Mickey Kantor postponed for 30 days a decision on whether to impose sanctions against Thai exports, to keep Thailand on the Priority Foreign Country list of nations under immediate threat of sanctions or to put Thailand on a list of less priority.

Mr Suphachai said that with so few issues remaining, Bangkok only needed to inform the United States of what actions had been taken. It is not necessary for him and Commerce Permanent Secretary Phatchara Itsarasena to go to Washington.

A ministry source said only two sticking points remained in the negotiations: Thai tariff reductions on exposed film (movies) and patent protection for pharmaceutical products already "in the pipeline" not yet on the Thai market but already invented when the new Thai law took effect last year.

The source said the Cabinet would today consider endorsing a Finance Ministry proposal to reduce the tariff on exposed film from 30 baht per metre to 15. That rate is still higher than in neighbourng countries.

On the pharmaceuticals issue, Thailand is still standing by its offer of 5-6 years of marketing exclusivity rights. The US has demanded 7-10 years. However, backdated protection may be extended to 1983, three years beyond 1986 as currently proposed.

Cambodian Refugees Sent Home

BK2308064193 Bangkok SIAM RAT in Thai 23 Aug 93 p 3

[Text] Speaking with reporters in Ranong Province, General Charan Kunlawanit, National Security Council secretary general, said Cambodians who fled to Thailand following the suppression of terrorists by the Provincial National Government of Cambodia have been sent back to Cambodia. He noted that Thailand's policy is not to accept any more refugees.

Gen. Charan said about 1,200 Cambodians fled to Thailand late last week. Among them were Khmer Rouge soldiers, who were disarmed before being allowed to cross into Thailand. The Cambodians have been sent back because the situation in Cambodia is now safe.

Prime Minister Chuan Greets Japanese Counterpart

BK2108082793 Bangkok Radio Thailand Network in English 0000 GMT 21 Aug 93

[Text] This week, Prime Minister Chuan Likphai sent a congratulatory message to his Japanese counterpart on his appointment as prime minister of Japan. In his message, Prime Minister Chuan extended his warmest and heartfelt congratulations to Prime Minister Hosokawa on behalf of the government and people of Thailand. The prime minister said that the results of the recent general election marked the new era in the political development of Japan. He was confident that Japan would continue to play an active and constructive role in the promotion of peace, stability, and prosperity of the Asia-Pacific region and the world at large. He said that it was his firm belief that the existing cordial ties of friendly and close cooperation between Thailand and Japan will be further strengthened under Mr. Hosokawa's able leadership for the mutual benefit of the two countries and peoples.

At the same time, Foreign Minister Prasong Sunsiri also sent a message to Deputy Prime Minister and Foreign Minister Tsutomu Hata. He said that he had learned with great pleasure that Mr. Hata was an active member of the Japan-Thailand Parliamentary Friendship League and that he had always had favorable understanding towards Thailand. This, he said, clearly reflected his keen interest and concerns in the promotion of Thailand-Japan relations.

Malaysian Businessmen See Greater Opportunities

BK2008140393 Kuala Lumpur Radio Malaysia Network in English 1300 GMT 20 Aug 93

[Text] Malaysian and Thai businessmen are poised for greater cooperation following Prime Minister Datuk Sri Dr. Mahathir Mohamed's current visit to Thailand. A number of areas have already been identified for collaboration. Among them are the hotel and tourism industry, the development infrastructure facilities, power generation, food processing, the production of automotive components, and financial services.

Datuk Francis Yeoh, YKL [expansion unknown] Corporation managing director, who is leading a 32-member private sector delegation accompanying the prime minister, said today talks with Thai businessmen had been very encouraging. Both sides are ready to work together for (?positive) results. This represents the positive private sector input for the realization of the ASEAN Free Trade Area (AFTA).

He told Malaysian journalists that Malaysian and Thai businessmen fully realized that there were more benefits to derive from collaboration and complementation than confrontation and competition. He added that the business sector was excited with the prospects offered by the Indonesia, Malaysia, Thailand Growth Triangle project.

Mahathir Dispels Worries Over China Defense Spending

BK2108075193 Kuala Lumpur Voice of Malaysia in English 0600 GMT 21 Aug 93

[Text] Countries of this region should not be unduly worried by China's spending on defense. Instead they should take advantage of its increasing prosperity and use that country as an agent for growth. Prime Minister Datuk Sri Dr Mahathir Mohamed was speaking during a question and answer session with the Thai business community in Bangkok.

According to him, as China prospered, it was inevitable that it would spend a portion of its revenue on defense. He felt that China, with its huge population, was certain to play a major role in world politics. He said China would do very well economically, given its hard working and incentive [as heard] people who are also quick to acquire new skills.

On Vietnam, Datuk Sri Dr Mahathir said he hoped the United States embargo on that country would be lifted soon as this was holding back the Indo-Chinese states from rapid economic development.

Meanwhile, Malaysian and Thai businessmen have already identified several areas of collaboration. Among them are the hotel and tourism industry, the development of infrastructure facilities, power generation, food processing, the producti,on of automotive components, and financial (?services).

On APEC Summit, Other Issues

BK2108094293 Kuala Lumpur Voice of Malaysia in English 0800 GMT 21 Aug 93

[Excerpts] Datuk Sri Dr. Mahathir said that he has not changed his mind about not attending the proposed APEC [Asia-Pacific Economic Cooperation] in Seattle in November. He reiterated that the summit proposal was not an APEC proposal. APEC members include the six ASEAN member states, the United States, China, and other countries in the Pacific rim. U.S. President Bill Clinton proposed the summit and Malaysia was the first to say that it was not attending. [passage omitted]

On the linkage between the East Asia Economic Caucus, EAEC, and APEC, Datuk Sri Dr. Mahathir said he saw the EAEC as a caucus within APEC and not of APEC. EAEC members, which are also members of APEC, can bring up issues for discussions at APEC forums, but the EAEC will have its own agenda. He said the EAEC could also bring up issues for discussion at other forums such as GATT, the General Agreement on Tariffs and Trade.

Datuk Sri Dr. Mahathir said Malaysia and Thailand shared similar views on Cambodia and Bosnia-Herzegovina.

The prime minister, who arrived in the Thai capital for a four-day official visit on Thursday, left this afternoon for an overnight visit to Ko Samui [Samui Island], an island resort in the Gulf of Thailand, to have a look at the development of tourism there. He leaves for home from Ko Samui tomorrow.

Thai Prime Minister Chuan Likphai made a farewell call on Datuk Sri Dr. Mahathir at his suite this morning. [passage omitted]

Vietnam

Cambodia's Ranariddh, Hun Sen Arrive on Visit

BK2308060193 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 23 Aug 93

[Text] The Cambodian interim government delegation, led by Co-Premiers Norodom Ranariddh and His Excellency Mr. Hun Sen, arrived in Hanoi this morning on an official friendship visit to our country at the invitation of Prime Minister Vo Van Kiet.

The motorcade escorting Prince Norodom Ranariddh and His Excellency Mr. Hun Sen and their wives arrived at the Presidential Palace at 1100 sharp. On hand to welcome them were Prime Minister Vo Van Kiet and his wife; Foreign Minister Nguyen Manh Cam; Minister Le Xuan Trinh, director of the Government Office; and many ministers and deputy ministers as well as representatives of the various departments, sectors, and mass organizations at the central level and in Hanoi.

Also attending the welcoming ceremony were ambassadors and charges d'affaires of the various diplomatic missions; representatives of international organizations in Hanoi; many Cambodian Embassy officials; and Vietnamese and foreign news agency, radio, and television correspondents.

Following the solemn official welcoming ceremony at the Presidential Palace Hall, Prime Minister Vo Van Kiet and his wife invited Co-Premiers Norodom Ranariddh and Hun Sen and their wives to stay at the Government Guest House.

Vo Van Kiet Welcomes Copremiers

BK2308132993 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 23 Aug 93

[Summary] "Dear friends, at the invitation of Prime Minister Vo Van Kiet, a Cambodian interim government delegation, led by Copremiers Norodom Ranariddh and His Excellency Hun Sen, arrived in Hanoi today, 23 August, for an official friendship visit to Vietnam."

A solemn ceremony was held at the Presidential Palace to welcome the Cambodian interim government delegation. The front gate of the Presidential Palace was decorated with national flags of the two countries and banners welcoming the Cambodian delegation.

"On hand to welcome the Cambodian delegation were Prime Minister Vo Van Kiet and his wife, Foreign

Minister Nguyen Manh Cam, Minister attached to the Prime Minister Office Le Xuan Trinh, many ministers and deputy ministers, and representatives of sectors and mass organizations at the central level and in Hanoi. Also attending the welcoming ceremony were the Cambodian ambassador to Vietnam and officials of the Cambodian Embassy, ambassadors and charges of foreign embassies, and representatives of international organizations in Hanoi. Many reporters from national and foreign media also attended the ceremony to cover the visit."

At 1100 the motorcade escorting the Cambodian delegation arrived at the Presidential Palace, where the official welcoming ceremony took place. "Prime Minister Vo Van Kiet and his wife were on hand to welcome Prince Norodom Ranariddh and his wife, and His Excellency Hun Sen and his wife.

"Prime Minister Vo Van Kiet invited the two copremiers to step on the honorary stand while the military band was playing the national anthems of the two countries. Next, Prince Norodom Ranariddh and His Excellency Hun Sen reviewed the guard of honor before being introduced to ministers, deputy ministers, other Vietnamese officials, and foreign dignataries.

"Dear friends, this afternoon, the SRV government delegation led by Prime Minister Vo Van Kiet held talks with the Cambodian interim government delegation led by Copremiers Prince Norodom Ranariddh and His Excellency Hun Sen at the Presidential Palace.

"In the evening, Prince Norodom Ranariddh and His Excellency Hun Sen called on party General Secretary Do Muoi at his office.

"Dear friends, this is the first official friendship visit to Vietnam by a high-level delegation of the Cambodian Interim Government since its establishment in early July. We hope the visit to Vietnam by Copremiers Ranariddh and Hun Sen is a spendid success, especially in their talks on issues of mutual concern, thereby creating a prerequisite for the fine, long-lasting relationship between Vietnam and Cambodia and positively contributing to peace, stability, and cooperation in Southest Asia and the world."

Vo Van Kiet Banquet Speech

BK2408054793 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 23 Aug 93

[Speech by SRV Prime Minister Vo Van Kiet at the banquet held in honor of visiting Cambodian Interim Government delegation led by Norodom Ranariddh and Hun Sen in Hanoi on 23 August—read by announcer]

[Text] Dear Prince Norodom Ranariddh and His Excellency Hun Sen, Copremiers of the Cambodian Interim Government, distinguished Cambodian guests, and dear friends:

On behalf of the SRV Government, I warmly welcome Prince Norodom Ranariddh, His Excellency Hun Sen, and the distinguished Cambodian guests currently paying an official friendship visit to Vietnam.

This important event marks new progress in the relations between Vietnam and Cambodia and contributes to strengthening the traditional relations of friendship and cooperation between our two nations.

It is an honor for us to have the chance to welcome envoys of the nation of the brilliant Angkor civilization. In welcoming you, the Vietnamese Government and people share the happiness with the Cambodian people for the initial yet very important achievements attained in the struggle for peace and national reconciliation, thereby opening up a good prospect for the Cambodian people to build a prosperous Cambodia and a bountiful, happy life.

From the bottom of our heart, we extend to the Cambodian people our best wishes in overcoming all difficulties and ordeals, success in building Cambodia into a peaceful, independent, unified, neutral, and nonaligned nation, befriending all countries in the world, especially the neighboring ones.

During the past several decades, our two nations have shared weal and woe and assisted one another in the arduous struggle for national independence and freedom. The Vietnamese people have always remembered the sentiment and support extended to us by the Cambodian people and Chief of State Prince Norodom Sihanouk during the war of resistance for national salvation.

Although there were ups and downs in the history of our two nations, yet the Cambodian and Vietnamese people have maintained their relations of friendship, solidarity, and cooperation. This is one of the important factors guaranteeing the victory of each country in its cause for national construction and defense. This is the profound sentiment that the Vietnamese people have unswervingly preserved, especially the traditional friendship and cooperation with the Cambodian people. They will strive to do their best to consolidate and strengthen this relationship. This is not only in conformity with the interest and aspiration of our two peoples, but also helps to promote friendship, cooperation, and development in Southeast Asia, the Asia-Pacific region, and the world.

Your visit to Vietnam is being made at the time when our people are implementing the comprehensive renovation undertaking to step by step lead the country forward to extricate itself from poverty and backwardness, while at the same time the Cambodian people are working in the transitional period toward the new stage to achieve a comprehensive peace, democracy, freedom, and prosperity.

We hope that, in the new stage, the relations of friendship and cooperation between Vietnam and Cambodia will be further consolidated and developed and that, together, we will work for peace, cooperation, and development.

In this spirit, I propose a toast for peace, stability, and prosperity in Vietnam and Cambodia. I wish the relations of friendship and cooperation between Vietnam and Cambodia further consolidation and development. I wish Prince Norodom Sihanouk and Princess Monik good health. I wish President Le Duc Anh and his wife good health. I also wish the two copremiers of the Cambodian Interim Government and their wives good health, and the distinguished Cambodian guests and our Vietnamese officials good health.

Ranariddh Gives Banquet Speech

BK2408100993 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 23 Aug 93

[Reply speech by Prince Norodom Ranariddh at a banquet in Hanoi on 23 August—read by announcer]

[Text] His Excellency Vo Van Kiet, prime minister of the SRV, ladies and gentlemen:

On behalf of the Cambodian Interim Government, His Excellency Hun Sen, and members of the Cambodian delegation, I would like to express our profound sentiment and sincerest gratitude to His Excellency Vo Van Kiet, prime minister of the SRV, for the warm welcome and hospitality extended to us. This kind, fraternal gesture will help make this visit by our delegation to the beautiful land of esteemed President Ho Chi Minh, the marvelous leader of the Vietnamese people, a successful one.

Prime Minister Vo Van Kiet's invitation and our acceptance to visit Vietnam this time reflects the earnest wishes of the two governments and peoples to strengthen and make the Vietnam-Cambodia relations ever greener.

As neighboring countries bound by geography and history, our two nations and peoples have maintained fine friendly relations on the basis of equality, independence, sovereignty, respect for each other's territorial integrity, and other mutual interests. Both countries have contributed to building Southeast Asia into a zone of peace, friendship, cooperation, and mutual understanding.

His Excellency the Prime Minister, ladies and gentlemen: In this joyous atmosphere, please allow us to express our profound gratitude to the Vietnamese Government and people for their positive contribution to the peace process in Cambodia from the beginning of the peace negotiations until the signing of the Paris Peace Accord on 23 October 1991.

As a signatory to the Paris Peace Accord, the SRV has seriously respected and actively implemented the accord with the spirit of understanding, thereby contributing to creating conditions for the Cambodian people to successfully carry out the general elections in a democratic and free manner this past May. This has resulted in the founding of the Constituent National Assembly and the Interim National Government of Cambodia. We would like to thank Prime Minister Vo Van Kiet and the Vietnamese Government for their support to the Cambodian Government.

I would like also to say here that Prince Norodom Sihanouk, chief of state and father of the Cambodian people, has made great efforts to strengthen and foster the long-standing traditional friendship and solidarity between the Vietnamese and Cambodian nations and peoples.

His Excellency the Prime Minister, ladies and gentlemen: Through this visit, our delegation is very happly to see the great achievements of the neighboring Vietnamese people under the leadership of the Communist Party of Vietnam, whose renovation policy has helped to improve the Vietnamese people's daily life and accelerate the process of building Vietnam into a developed nation in our region.

In this spirit, I propose a toast for the good health of General Secretary Do Muoi and SRV President Le Duc Anh and their wives, for the good health of Prince Norodom Sihanouk and Princess Monique, for the good health of His Excellency Vo Van Kiet and his wife, and for the good health of all who are present here.

Thank you very much for your attention.

Do Muoi Meets Cambodian Copremiers

BK2308144593 Hanoi VNA in English 1420 GMT 23 Aug 93

[Text] Hanoi VNA August 23—The visiting copresidents of the interim national government of Cambodia, Prince Norodom Ranariddh and H.E. [His Excellency] Hun sen, this afternoon called at Do Muoi, general secretary of the Central Committee of the Communist Party of Vietnam.

General Secretary Do Muoi warmly welcomed the Cambodian guests and the delegation of the interim national Government of Cambodia on a friendly visit to Vietnam, saying that it was an important event marking a new stage in the history of the traditional friendship between the two peoples.

The Vietnamese party leader welcomed the foreign policy of peace and friendship pursued by the interim national government of Cambodia. He reaffirmed Vietnam's stance of respecting the Cambodian people's national independence and sovereignty and their national right to self-determination, and said that Vietnam would work relentlessly to strengthen the durable friendship, good neighbourliness and fraternal solidarity between the two countries and between them and Laos.

The general secretary said that the Vietnamese people deeply sympathized with the Cambodian people who had suffered so much from war and who were longing for peace and stability to re-build the country. He recalled the fine relations between Prince Norodom Sihanouk and asked the two co-presidents to convey his best regards to the prince. He wished the Cambodian people under leadership of Prince N. Sihanouk success in building Cambodia into a peaceful, independent, neutral, non-aligned and prosperous country.

For his part, Prince Norodom Ranriddh spoke highly of Vietnam's initial achievements in the renovation process and in its open-door foreign policy. He expressed profound gratitude to Vietnam for its positive contributions to the peaceful settlement of the Cambodia issue and its full respect and strict observation of the Paris agreements on Cambodia. Official talks were held this afternoon between a delegation of the Vietnamese Government led by Prime Minister Vo Van Kiet and the delegation of the interim national Government of Cambodia led by Co-presidents Prince Norodom Ranariddh and H.E. Hun Sen. This evening, Prime Minister Vo Van Kiet offered a banquet in honour of the distinguished Cambodian guests.

Paper Welcomes Cambodian Copremiers

BK2308054993 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 22 Aug 93

[23 August NHAN DAN editorial: "The Friendly and Cooperative Ties Between Vietnam and Cambodia Have Entered a New Stage"]

[Text] Prompted by the desire to share the Cambodian people's earnest aspirations for independence, peace, stability, national reconciliation and concord, and the conditions for bringing about prosperity, the Vietnamese people have followed with keen interest the recent developments in Cambodia.

The May 1993 National Assembly elections ended in success. The Cambodian interim government has been formed. Prince Norodom Sihanouk has been appointed head of state. Despite the Democratic Cambodian faction's continued efforts to cause instability, the process of national reconciliation and concord in Cambodia has been implemented step by step. The Cambodian interim government's policies and lines, especially its foreign policy, have been supported by broad sections of the world community.

We welcome the Cambodian interim government's intention to carry on the foreign policy initiated by Prince Sihanouk based on the principle of building Cambodia into an independent, neutral, and nonaligned country, which befriends all nations of the world including neighboring countries, and which tries to resolve all disputes through peaceful negotiations.

In addition to the recent visits to Laos and Thailand, this visit to Vietnam by the two co-premiers of the Cambodian interim government is a vivid example of the above-mentioned foreign policy. The joint communique, signed on 25 January 1992 by Prince Sihanouk, head of state and chairman of the SNC [Supreme National Council], and Vietnamese Foreign Minister Nguyen Manh Cam stressed the need for friendly and cooperative ties between Vietnam and Cambodia to enter a new phase so the two peoples can further promote their friendship and good neighborliness based on the principles of respect for each country's independence, sovereignty, and territorial integrity; of refraining from intervening into each other's internal affairs or from using military strength or military threats; and of resolving their differences through peaceful negotiations and cooperation according to the principle of equality, mutual benefit, and peaceful coexistence. This policy fully meets each country's basic and long-term interests and conforms with the present trends of development in the region and other parts of the world.

We are convinced that this official friendship visit to our country by the two co-premiers of the Cambodian interim government will end in success, help the two sides discuss issues of common concern, create the premises for the further promotion of their fine and long-lasting ties, and positively contribute to peace, stability, and cooperation in Southeast Asia and the rest of the world.

Vo Van Kiet Receives Cuban Economists

BK2008144793 Hanoi VNA in English 1436 GMT 20 Aug 93

[Text] Hanoi VNA August 20—Prime Minister Vo Van Kiet received here today the visiting delegation of senior economists of Cuba led by Jose Luis Rodriguez Garcia, minister and chairman of the State Committee for Finance.

Prime Minister Kiet expressed his deep concern about the present efforts of the party, government and people of Cuba to overcome the big difficulties in economic, and daily life and expressed his firm belief that the fraternal Cuban people, under the leadership of the Communist Party of Cuba headed by President Fidel Castro, will certainly fulfil their heavy and noble task to firmly defend the revolutionary gains thus, taking the country of advance forwards, the prime minister briefed his guests on the experiences of Vietnam in renovation, especially economic renovation. [sentence as received]

In reply, Minister Jose Luis stressed that in the former struggle for independence Vietnam was an example for Cuba. Now in national construction, Vietnam is also an example for Cuba to overcome difficulties and advance forwards.

During its stay here, the delegation paid a floral tribute to President Ho Chi Minh at his mausoleum and visited his home and office. The delegation exchanged experiences and had working sessions with leaders of the Ministry of Finance Ministry of Trade the State Planning Committee the State Committee for Cooperation and Investment the Ministry of Agriculture and Food Industry and the State Bank.

Ho Chi Minh City Court Tries Antigovernment Suspects

BK2308155693 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 23 Aug 93

[Text] A Vietnamese radio correspondent from Ho Chi Minh City reports that this morning, 23 August, in Ho Chi Minh City, the People's Supreme Court held a preliminary hearing and final trial for 14 accused. They include nine Vietnamese from the United States and France, who entered Vietnam and engaged in activities aimed at sabotaging order and security with the intention of overthowing the Vietnamese people's government.

The accused are Tran Tu, alias Nguyen Duy Khuong and Peter Tran; Nguyen Van Muong; Do Huong; Pham Anh Dung; Nguyen Ngoc Dang; Le Hoang Son; Do Hong Van; Pham Duc Hau; and Pham Van Thanh. Luc Sy Hanh and Van Dinh Nhan are accused of abetting foreign reactionaries to commit subversion against the government. Nguyen Duy Cuong and Tran Thi Nhan are accused of illegal explosives trading. Nguyen Phu is accused of not reporting the crime according to Article 247 of the Criminal Law.

At the court, Mr. Dam Van Chanh, on behalf of the Organ of Control, read the charge, which says that it is an especially important crime which violates national security, disturbs safety order, and plans to kill innocent people in public and populus places. The crime was masterminded by Tran Tu, born on 20 January 1941 in Thua Thien-Hue. His residence is No. 717 of California state, America [sentence as heard].

The crime was committed by a reactionary group living in exile in foreign countries. With the people, public security force, and interior force's vigilance and patriotism, the crime was promptly discovered with all the proof. The evidence includes $199,066, 29 kgs of TNT, 218 explosive fuses, more than five meters of slow detonating string, two speakers, materials to make flags, and video and cassette tapes.

The court is still hearing the case.

Ministry Predicts 1995 Food Production Increase

BK2208150393 Hanoi VNA in English 1337 GMT 22 Aug 93

[Text] Hanoi VNA August 22—Vietnam can achieve food production of 25 million tonnes by 1995, with per capita output of about 350 kg a year, according to the Ministry of Agriculture and Food Industry.

The food target shows an increase of 0.5 million tonnes over this year's figure. In its recent report, the General Department of Statistics said that in the first seven months total food output was 10.2 million tonnes including 3 million tonnes of commodity rice.

By yearly this month, rice exports were 1.35 million tonnes, up by nearly 25 percent over the same period last year, according to the Ministry of Agriculture and Food Industry.

Farmers in the north have harvested bumper winter-spring crop. Meanwhile, the summer-autumn crop in southern provinces, yielding estimated productivity of 3 tonnes/ha, is expected to bring in a higher output than the same crop last year.

Most successful in rice production is An Giang where 1,025,000 tonnes of winter-spring rice was harvested on 170,000 ha, establishing a national record. The average yield was 6 tonnes per hectare.

However,this year's food target is currently confronted with a long spell of drought which over the past four months has destroyed rice and other crops in seven provinces on the centra coast.

The heaviest sufferer has been Thua Thien-Hue. More than 16,000 ha out 21,000 ha of autumn rice has been affected. About a third of this crop has been completely destroyed.

Last year, total food output was almost 24 million tonnes, 20 million tonnes of it rice. The Mekong River delta, the biggest rice bowl of the country, reaped nearly 11 million tonnes, accounting for half of the total paddy yield in the country.

In four years from 1989-92, rice export of 5.76 million tonnes brought in more than 1 billion US dollars. This has earned the country the third place in rice export in the world, behind only the United States and Thailand.

Light Industry Improves Performance

BK2208065893 Hanoi VNA in English 0546 GMT 22 Aug 93

[Text] Hanoi VNA August 22—Total export value of light industry in the first six months of this year went up by 68 percent over the same period last year.

Statistics show that the state-run sector achieved an increase of 17 percent. Impressive growth rates were recorded in the production of milk up by 62 percent, canvas shoes by 145 percent and knitwear by 20 percent.

Garment production increased 30 percent over the first six months of 1992. The plan calls for 31 million pieces for export, 10 million more than in 1992. Last year, the garment industry grossed 26.14 million USD from export.

Output of local light industries increased by 10 percent with growth rates of 28 percent in Hanoi, 13 percent in Ho Chi Minh City, 47 percent in Haiphong and 27 percent in Can Tho; [words indistinct] of billions of dong worth of goods remained unsold due mainly to the influx of Chinese goods smuggled across the border. They included paper, just [words indistinct].

The light industry service remitted 810 billion dong to the budget in the January-June period, up by 73 pecent over the same period last year. The target for the whole year is 1,940 billion dong .

Khmer Rouge 'Massacre' of Vietnamese Denounced

BK2008055293 Hanoi Voice of Vietnam in English 1000 GMT 19 Aug 93

[Station commentary]

[Text] The Vietnamese Government and people strongly condemn the Khmer Rouge's latest killing and abducting of ethnic Vietnamese in Cambodia. The Vietnamese Embassy in Cambodia demanded that cruel action and violence against Vietnamese residents in Cambodia be stopped. This is included in a note sent to the Cambodian Supreme National Council and the UN Transitional Authority in Cambodia and the Foreign Ministry of the Cambodian Provisional Government on 17 August.

The note said: Vietnam urgently calls for drastic measures in time to check the Khmer Rouge's bloody hand and create favorable conditions for Vietnamese residents to have a normal and peaceful life as other foreign residents in Cambodia. The Embassy's note also calls on the International Community to strongly condemn the massacre and violation of human rights and to force the Khmer Rouge to abide by the provision of the Joint Declaration on Human Rights.

According to BBC Radio, the Khmer Rouge said they would not stop their attacks on Vietnamese residents living in Cambodia. In a letter sent to the United Nations, Khieu Samphan, the Khmer Rouge leader said his faction was resolved not to allow any Vietnamese nationals to settle in Cambodia. They still maintain their barbaric nature and also are not entitled to have a political role in Cambodia.

It is urgent that the United Nations and all countries take resolute measures to force the Khmer Rouge to stop the killing of Vietnamese nationals.

Sources: 10,000 Ethnic Chinese Ask Repatriation

OW2108050993 Tokyo KYODO in English 0423 GMT 21 Aug 93

[Text] Hanoi, Aug. 21 KYODO—More than 10,000 ethnic Chinese, who fled from Vietnam into China some 15 years ago, have gathered at the border demanding to be allowed back into Vietnam, well-placed sources in Hanoi said Saturday [21 August].

The group, which includes coal miners and traders from Hanoi, has gathered in the town of Dongxiang in the autonomous region of Guangxi Zhuangzu demanding repatriation.

However, the Vietnamese Government is apparently reluctant to accept the return of these people, part of the estimated 250,000 ethnic Chinese who fled from North Vietnam to China before the 1979 Sino-Vietnam War, the sources said. Authorities in Vietnam's Quang Ninh Province have stepped up border security to prevent their return illegally, the sources added.

Hanoi is unwilling to approve their repatriation because all refugee property and land was confiscated, and the government fears that if repatriated, the refugees would demand the return of their confiscated land and goods, the sources said. The Vietnamese authorities also fear that their return will make a bad unemployment problem in the country worse, the sources said.

Vietnam and China will discuss the repatriation issue during vice foreign ministerial talks in Beijing slated for next week, the sources said.

Hanoi Cites Congressman Gibbons on Trade Embargo

BK2008121093 Hanoi Voice of Vietnam in English 1000 GMT 20 Aug 93

[Text] What did Mr. Sam Gibbons and his House of Representatives Trade Committee think upon seeing American products being sold in Vietnam? Mr. Gibbons has just been in Vietnam for a visit.

The common feeling of the American delegation was interest and relations [as heard]. Mr. Gibbons maintained that this was evidence of the outdated economic embargo of the United States. When in Ho Chi Minh City, Mr. Gibbons said that what he saw with his own eyes shows that the sanction was senseless. It is best to let U.S. companies send their products directly to Vietnam. Mr. (Clay Schurer) from the U.S. House of Representatives said the official progress of the United States companies in Vietnam would generate jobs for the American public; bilateral cooperation would be beneficial for both sides. He said Vietnam was a marvelous labor market, because the Vietnamese were known for their industriousness and talents so the United States should promptly promote bilateral ties.

Members of the House of Representatives delegation who, according to the Voice of America, are influentual in the American Congress, held that the best thing is to lift the economic embargo against Vietnam. Its extension only does harm to United Sates business. They urged the White House to overcome the past, to build trust together with the Vietnamese to rebuild friendship.